

Pricing Policy

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Overview

The Professional Assessment Ltd (PAL) pricing policy is implemented per apprenticeship standard we are approved to end-point assess, as each apprenticeship is unique in its requirements for end-point assessment. In accordance with the ESFA revised conditions for end-point assessment organisations, the ultimate price will be negotiated with the training provider, acting on behalf of the employer.

Policy scope

This policy sets out PAL’s approach to EPA pricing and associated matters for all of PAL clients/purchasers. If you have any queries about the contents of the policy, or wish to give feedback, you can use our Freephone number 0800 160 1899, or email us via info@professionalassessment.co.uk.

Our Service Level Contracts will always stipulate all our EPA fees as agreed with clients.

Who is this policy for?

This policy is intended to support representatives of colleges, independent training providers, employer-providers and employers who are responsible for commissioning, contracting and payment of end-point assessment services.

Purpose

Ofqual the EPA and qualifications regulator and the ESFA conditions require an EPAO to have a transparent pricing policy and to advertise their EPA fees.

This policy, as well as a fees section are located on PAL’s website which are updated by PAL’s Business Operations Director on a frequent basis, fulfil these commitments, as does PAL’s avoidance of price bundling.

Fees are structured in line with the ESFA’s eligible costs- see appendix one.

In accordance with the conditions for end-point assessment organisations, PAL will negotiate and agree a price with the named training provider, acting on behalf of their employer(s).

This fee may include discounts based on volumes or grouping assessments, where permitted by the assessment plan.

PAL is unable to provide packages of services, in other words we can only provide and agree prices for end-point assessment. Prices for other services, such as audit and compliance work, will be negotiated separately to ensure there is no conflict of interest.

The Pricing Model

The standard pricing per apprentice takes account of:

- Administration of end-point assessment services
- Registration and booking of end-point assessment
- The provision of guidance and support resources to include the Padlets (online resources), newsletter, account management, webinars
- Design, development, and pre-assessment of assessment instruments
- The maintenance of end-point assessment tools and instruments
- The provision of trained qualified and approved assessors to deliver end-point assessment
- Execution of Endpoint Assessment
- Internal quality assurance, to include risk banding, sampling, and standardisations
- Cost of regulation

The price does not include the provision of facilities or materials for end-point assessment such as ingredients for a chef's skills challenge as we anticipate that these will be provided by the employer or provider, and such arrangements will be agreed and confirmed prior to any assessments taking place.

Please see [PAL's website](#) for our advertised EPA fees by apprenticeship standard.

Apprenticeship Funding Eligibility

Costs eligible to be funded by public funding:

- **Reasonable Adjustments** - There may be additional fees associated with providing highly specialised and complex reasonable adjustments during end-point assessment. These will be negotiated on a case-by-case basis and will be determined in line with the IfATE guidance on reasonable adjustments. These costs may be funded via the apprenticeship levy or by the Education and Skills Funding Agency.
- <https://www.instituteforapprenticeships.org/quality/end-point-assessment-reasonable-adjustments-guidance/>
- **Reassessment fees** – fees associated with resits or retakes. PAL's standard end-point assessment **prices do not include fees for resits and retakes**, because not every apprentice will require reassessment. The re-assessment costs and therefore fees will be determined by the end-point assessment component being resat or retaken. PAL's service level contracts clearly detail re-assessment charges. Reassessment fees are a commercial arrangement between the Training Provider and PAL; PAL will invoice the main provider/college for these activities, it is a decision for the Provider as to whether they pass these costs onto the employer. Under no circumstances should an apprentice be expected to pay for any element of end-point assessment, this includes fees for re-assessments. Re-assessments can be funded as an eligible cost by the Education and Skills Funding Agency (ESFA) or levy funds, up to the funding band maximum. Should the reassessment fees for an apprentice mean that the EPA price exceeds 20% of the funding band, the value above the 20% funding band amount cannot be funded as an eligible cost by the ESFA or levy funds.

Costs ineligible to be funded by public funding, and must be funded by the employer:

- **Fees above 20% of the apprenticeship funding band** – PAL’s EPA fees typically fall well within 20% of the funding band maximum for each apprenticeship standard we are approved to deliver. PAL is also guided by any relevant affordability criteria in the assessment plan, where such guidance exists. Should a situation arise where the price for EPA exceeds 20% of the funding band, the value above the 20% funding band must be a commercial arrangement.
- **Cancellation fees** – fees associated with the cancellation or rescheduling of any of the end-point assessment activities by the employer, training provider or apprentice in accordance with the cancellation timescales detailed in service level contracts. These fees are a commercial arrangement between the client and PAL and cannot be funded by the Education and Skills Funding Agency (ESFA) or levy funds. Non-payment of cancellation fees may delay further assessments, although PAL strives not to disadvantage an apprentice from completing their end-point assessment.
- **Late registration fees** – if an employer selects PAL less than 3 months before the planned end-point assessment date, a fee may be charged if this has been agreed within the service contract. These fees are a commercial arrangement between the client and PAL and cannot be funded by the Education and Skills Funding Agency (ESFA) or levy funds. Note PAL rarely deploys such a charge, but we do encourage early registration. Providers should refer to the latest version of apprenticeship funding rules and the accountability framework.¹
- **Appeals** – if an employer or provider lodges a formal appeal on the behalf of the apprentice, a fee may be charged to cover the cost of the investigation, in line with PAL’s Appeals and Enquiry Policy. These fees are a commercial arrangement between the client² and PAL and cannot be funded by the Education and Skills Funding Agency (ESFA) or levy funds.

See **appendix one for the ESFA’s guidance regarding eligible costs. See appendix two regarding PAL’s approach to fair and competitive pricing.**

VAT

VAT treatment for PAL's fees will be informed by the source of the funding for the service:

- **Levy-funded** - Supply of vocational training funded by the Education & Skills Funding Agency is exempt from VAT under VAT Notice 701/30 (confirmed within the ESFA funding rules), so PAL will not charge VAT where levy funds are the source of funding (based on information supplied by the lead training provider).
- **Co-Investment** – employer contributions towards apprenticeship training (minimum of 5%) is subject to VAT, but the government contribution is not, so PAL will charge VAT on the employer contribution of the EPA fee. Lead providers need to make clear, via the epaPRO registration process, the levy status of the Employer and the % of employer contribution.
- **Additional EPA costs** – other agreed fees such as reassessment and cancellation fees or agreed EPA fees over and above 20% of the funding band maximum for the standard, are a commercial arrangement with the client. The whole amount of these fees will be subject to VAT.
- **Compliance and non-EPA services** – any amounts invoiced for compliance consultancy or non-EPA work carried out will be subject to VAT.

¹ The ESFA accountability framework states they will assess organisations with apprentices identified as having no end-point assessment organisation in the ILR:

- within 3 months of the planned end date as ‘at risk’
- within 3 to 6 months of the planned end date as ‘needs improvement’

² An apprentice should not be expected to pay or make any contribution to an appeals fee, where PAL applies this charge. The concerned employer will be invoiced, and PAL will not complete the appeal until such monies are received. If the appeal committee finds in favour of the apprentice and judges PAL is at fault regarding the initial assessment decision, PAL will refund the fee in full.

For the sake of clarification, PAL does not provide VAT advice and all parties should check their VAT position and liabilities.

Invoicing

The fees for the standard EPA price will be invoiced to the main provider. Invoicing arrangements are detailed in the contract with the main provider, and all invoices are payable within thirty days. Please refer to PAL's invoicing policy for further information.

Any additional, commercial fees will be invoiced either to the main provider³, depending on the eligibility of the activity to receive public funding, and the contractual arrangement with the client.

Price Review

Prices are reviewed on an annual basis, and if there is a funding band review for a specific standard or standards, PAL will undertake a price review⁴.

In respect of assessment plan versions, PAL will only amend the price list to reflect the new version, if the new assessment plan is substantially different in respect of assessment methodologies, EPA window timeframes and balance of on-site and/or remote assessment.

The Business Operations Director and or EPA team will liaise with the relevant parties if and where any contractual changes or amendments affect the agreed fee structure and there is a requirement to re-negotiate.

Regulatory references

PAL is required to establish and maintain compliance with regulatory conditions and criteria. This policy relates to OFQUAL General Conditions of Recognition, Information on fees and features Condition F1.

Date Created: 11th September 2018

Last Review: 15/11/2023

Next Review: 15/11/2024

Person Responsible for review: Business Operations Director

This Policy has been agreed by Linda Martin, Managing Director

³ Please see previous footnote regarding charges for appeals, for these the employer will be invoiced.

⁴ A funding review does not necessarily mean PAL will amend its prices and any changes to fees will be communicated with clients in advance of implementing such changes.

Appendix One –Eligible Costs (taken from the EPAO conditions section on APAR)

Eligible costs should not usually exceed 20% of the funding band maximum for the standard. This does not mean that EPA must always cost 20%. The price an individual employer will pay for EPA will vary across standards and across EPAOs. In your negotiation with employers, you must bear in mind the need to secure value for money.

Where the total cost of assessment (and training) agreed is higher than the funding band maximum the employer must pay the difference. [The apprenticeship funding and performance management rules](#) contain further information on the rules which apply to all apprenticeship provision funded by us.

Payment is routed through the training provider. In order to receive payment, you⁵ and the training provider must have a form of contract agreed and in place as soon as possible after notification of your selection by the provider on behalf of the employer⁶. This contract must cover roles and responsibilities and a schedule for the channelling of funding through the provider to you.

The terms of the contract between you and the training provider also need to be clear that you are delivering the EPA on behalf of the employer, apprentice, as well as the training provider.

You must base the costs you quote and or charge for the service you provide including the administration and delivery of EPA (eligible costs) and may also comprise an element linked to profit. As part of arriving at these costs you may take wider business overhead costs into account. These costs may change over time depending on business need.

Eligible costs are costs:

- associated with the administration, registration and examination of EPA as set out in the standard(s), and their assessment plan(s), you are registered to assess against
- associated with providing guidance and support and the materials (non-capital items) used in the delivery of EPA (equipment or supplies necessary to enable the assessment to take place)
- associated with ensuring trained staff and appropriate premises are available to deliver EPA
- associated with the development and maintenance of assessment instruments and tools
- to support any special arrangements, you may need to put in place to ensure any apprentices with special educational needs, disabilities or with another temporary or permanent debilitating condition can fairly access EPA
- associated with any further assessment required by the apprentice to achieve EPA (for instance retakes or resits)
- associated with ensuring consistent and robust internal quality assurance (for instance moderation and standardisation of assessment instruments and tools, assessors, and assessment decisions)
- including any EQA/REGULATORY charges you may incur as part of audits, technical evaluations and EPA forums and consultations

⁵ The EPAO/AO

⁶ Note the changes to EPAO selection in August 2023 gave the Provider the lead on EPAO selection, however the APAR conditions still permit the employer to overrule the employer and have the final decision regarding EPAO selection

Ineligible costs are costs associated with:

- any centre approval process (while you will need to assure yourself that the provider has appropriate systems and processes in place for presenting apprentices for EPA, you should not charge for this)
- the recruitment and continuing professional development of your assessors
- promotional activity and or materials
- any on-programme activity you may offer; these costs must be separate as they are ineligible for EPA and must not be packaged as part of the EPA charges you make to an employer

In addition, you must not directly or indirectly charge individual apprentices for any aspect of their EPA, for example, for materials.

You must only charge for eligible costs that you legitimately incur as part of the actual administration and delivery of EPA. There may be occasions however, when you have incurred legitimate eligible costs, but due to unforeseen circumstances, an assessment has not been carried out. This may include apprentices who withdraw from attending a booked assessment. In such cases the reasonable eligible costs (i.e., those already incurred in arranging the assessment of the outstanding components) will be payable.

Similarly, you may incur costs based on anticipated numbers of apprentices and, through no fault of your own, the final number of apprentices undertaking EPA is fewer. In such cases there is no requirement for you to repay these costs on the basis that you have incurred them in good faith.

If the cost of EPA is higher than the price originally quoted to the provider and employer, you must renegotiate and agree revised costs with the employer before charging additional fees.

You agree that you may be subject to audit from us. Where this is the case, we will give you notice of the intention to audit and clearly identify what is in scope for audit. You must be able to clearly account for and justify, with clear evidence of service delivered, all money you receive. If we have evidence that you have claimed money through the provider that you were not entitled to, then you must return those funds as directed by us.

Appendix Two Anti-Competitiveness

Under no circumstances will PAL engage in anti-competitive practices, including, but not limited to, the following:

Price fixing

We will not discuss the prices we charge or plan to charge clients with our competitors. We will not agree with another business:

- to charge the same prices to our clients
- to offer discounts or increase our prices at the same time
- to charge the same fees to intermediaries acting on our behalf and our competitors

Bid rigging

We will not discuss bids for a contract tender with our competitors, including:

- agreeing with our competitors how much we will bid for a contract or sharing information about our bid taking turns to win contracts
- asking other businesses to bid when they don't want the contract, known as cover bids
- paying other businesses not to bid, or paying other businesses when we win a tender
- agreeing with other businesses not to bid or to withdrawing our bid

Market sharing

We will not agree with another business:

- not to approach each other's clients
- not to compete with them for clients, e.g., in specific locations or sectors

Sharing information

We will not share information with other businesses, either directly or through a third party, that may reduce competition, e.g., information about:

- prices
- production
- clients and associates
- the markets we sell to or plan to sell to

Other anti-competitive activities we will avoid:

- buying or selling jointly with our competitors
- agreeing with our competitors to restrict our service offer to raise the market value of the service
- agreeing with our competitors not to sell our services to certain potential or actual clients, or to deal with certain associates and other businesses