



Education & Skills  
Funding Agency

# Apprenticeship funding and performance-management rules for training providers

May 2017 to July 2018

## Version 6

This document sets out the funding and performance-management rules for all training providers delivering apprenticeships from 1 May 2017 to 31 July 2018.

## March 2018

Of interest to colleges, training providers, higher education institutions and employers delivering training to staff outside of their organisation.

# Contents

Introduction and purpose of the document .....	3
Understanding the terminology.....	4
What is an apprenticeship? .....	6
Genuine job .....	6
Off-the-job training .....	7
Apprentices' wages.....	8
Use of funds.....	8
Apprenticeship agreement and commitment statement.....	8
Apprenticeship duration and employment hours.....	9
Who can be funded? .....	11
Apprentices with learning difficulties or disabilities.....	13
Apprenticeship training agency (ATA).....	14
What can be funded? .....	15
Eligible costs.....	15
Ineligible costs .....	16
Additional payments.....	18
Extra support for small employers.....	19
Support for English and maths training.....	20
Exceptions to the regular English and maths minimum requirements for people with special educational needs, learning difficulties or disabilities.....	21
End-point assessments.....	23
Contracting and subcontracting.....	24
Main providers directly delivering training or on-programme assessment .....	24
Agreeing the use of subcontractors with employers.....	24
Your written agreement with each employer.....	26
Delivery of apprenticeship training and on-programme assessment by delivery subcontractors .....	26
Contracting with delivery subcontractors .....	27
Special conditions for subcontracting to employer-providers .....	28
Special conditions for subcontracting to 'supporting' providers.....	28
Special conditions for subcontracting to organisations not on the register of apprenticeship training providers .....	29
Special conditions for all instances where the employer is the delivery subcontractor .....	29
Reporting your use of delivery subcontractors to us .....	29
Disputes and issue resolution between the employer and main provider .....	29
Paying for an apprenticeship .....	30
The price of an apprenticeship.....	30
When payments are made.....	30

Value added tax (VAT).....	31
Funds in an employer’s apprenticeship service account.....	32
Employer co-investment .....	32
Qualifying days for funding .....	33
State aid.....	33
Recovery of funds.....	33
Apprenticeships funded by transfers of levy funds .....	34
Introduction for providers .....	34
Delivering apprenticeship training to receiving employers .....	34
Delivering the apprenticeship .....	35
The commitment statement between the employer, apprentice and main provider .....	35
Data protection.....	36
Starting, participating, completing, and leaving.....	36
Certification .....	37
Changes to the apprenticeship, main provider or employer .....	37
Redundancy.....	38
Where training or assessment stops.....	39
Summary of action following change in employer, apprentice, or provider circumstances .....	41
Evidence requirements.....	47
Evidence pack.....	47
Confirmation and signatures .....	49
Individualised learner record (ILR) .....	50
Self-declarations .....	50
Annex A: Exceptional eligibility criteria (who we fund).....	51
Exceptional eligibility status .....	51
Countries or areas where residency establishes eligibility for our funding.....	53
Annex B: Apprenticeships performance-management rules for August 2017 to March 2019....	55
Generic rules that apply to all delivery .....	55
Annex C: Standard national profiles .....	63
Annex D: Performance-management points.....	64
Annex E: Apprenticeship grant for employers (AGE) for 16 to 24-year-olds.....	67
Annex F: Apprenticeship grant for employers performance-management point.....	73
Annex G: Table of equivalent qualifications accepted for the purposes of prior attainment.....	74
Glossary .....	77

## Introduction and purpose of the document

- P1. This document sets out the funding and performance-management rules for training providers delivering apprenticeship training and assessment for employers under the new apprenticeship programme from 1 May 2017. Training providers delivering to their own staff should follow the [employer-provider rules](#) and only claim actual costs.
- P2. You can find details on the features of the apprenticeship funding system, including how we will calculate funding for organisations receiving funding from us, in the [apprenticeship technical funding guide](#) for starts from 1 May 2017.
- P3. We use the term ‘you’ to refer to the ‘main provider’, that is, any organisation holding a contract with us through which we directly route funds from an employer’s apprenticeship service account or government-employer co-investment. The main provider will have the overall responsibility for the training and on-programme assessment conducted by themselves and their delivery subcontractors, and have a contractual relationship on behalf of the employer for the end-point assessment conducted by end-point assessment organisation. The payment for the end-point assessment organisation is through the main provider. Where we use the term ‘you’ we are also referring to any organisation contracted by you to deliver the apprenticeship on your behalf.
- P4. The terms ‘we’, ‘our’, ‘us’, and ‘ESFA’ refer to the Education and Skills Funding Agency.
- P5. These rules form part of your terms and conditions for the use of funds in an employer’s [apprenticeship service](#) account or for government-employer co-investment. You must read them in conjunction with your funding agreement with the Secretary of State for Education (acting through the Education and Skills Funding Agency (the ESFA), an executive agency of the Department for Education).
- P6. The ESFA may make changes to these rules.
- P7. If you are a training provider delivering the new apprenticeship programme, you must operate within the terms and conditions of your funding agreement, these rules, and the [individualised learner record specification](#). If you do not, you will be in breach of your funding agreement with the ESFA.
- P8. If you breach your funding agreement, we reserve the right to take action.
- P9. You can contact us through our Business Operations Service Desk by email [SDE.servicedesk@education.gov.uk](mailto:SDE.servicedesk@education.gov.uk) or by telephone on 0370 2640001. You can also contact your provider manager/adviser.
- P10. These rules will apply to all apprenticeship programmes starting on or after 1 May 2017. Unless otherwise stated, this includes both apprenticeship frameworks and standards.
- P11. Any apprenticeship which started before 1 May 2017 will continue to follow the rules in the documents we list below and which you can access on [GOV.UK](#).

11.1 Skills Funding Agency: common funding rules 2016 to 2017

- 11.2 Apprenticeships: common funding rules 2016 to 2017
- 11.3 Apprenticeship framework funding rules 2016 to 2017
- 11.4 Apprenticeship standards funding rules 2016 to 2017

## Understanding the terminology

- P12. We use the term ‘apprenticeship’ to mean the training and, where applicable, end-point assessment for an employee as part of a job with an accompanying skills development programme funded by us. The full definition of an approved English apprenticeship is in section A1 of the [Apprenticeships, Skills, Children and Learning Act 2009](#).
- P13. We use the term ‘apprentice’ to include all those who receive apprenticeship training and, where applicable, end-point assessment through an apprenticeship framework or standard funded by us.
- P14. We use the term ‘funding agreement’ to include:
- 14.1 [the apprenticeship levy provider funding agreement](#)
  - 14.2 the contract for services between the employer and provider
  - 14.3 [the contract for services – apprenticeships](#) (between the ESFA and providers delivering apprenticeships to non-levy-paying employers)
- P15. We use the term ‘this document’ to refer to the [apprenticeship funding and performance-management rules for training providers May 2017 to July 2018](#).
- P16. We use the term ‘provider’ to include any organisation on the [register of apprenticeship training providers](#) and appointed by an employer and/or holding a current funding agreement with us or contracted through a main provider for the delivery of training and on-programme assessment, as part of the employer’s agreed apprenticeship programme. This includes companies, charities, bodies, colleges, universities, sole traders, and other types of legal entity, including those who are in the same group as, or are associated with, the main provider. This excludes individuals who are self-employed or supplied by an employment agency and who are working under the main provider’s direction and control, in the same way as an employee.
- P17. We use the term ‘delivery subcontractor’ to include any organisation contracted through a main provider or employer-provider to deliver apprenticeship off-the-job training, English or maths or planned on-programme assessment. This excludes end-point assessment organisations; end-point assessment organisations are not delivery subcontractors. It also excludes subcontractors you use for different services, including help with marketing or data management, as well as those who deliver training to an apprentice that is in addition to the apprenticeship and not funded through this route.
- P18. We use the terms ‘standard’ and ‘apprenticeship standard’ to cover the

apprenticeship standards which have been approved and published by the Institute for Apprenticeships. Apprentices can only be enrolled against an apprenticeship standard once it is identified as 'approved for delivery' on the [Institute for Apprenticeships](#) website.

- P19. We use the terms 'framework' and 'apprenticeship framework' to cover the apprenticeship frameworks which are available for delivery.
- P20. We use the term 'practical period' to mean the duration for which the employer and apprentice agree that the apprentice will work and receive training under their approved English [apprenticeship agreement](#).
- P21. [The hub](#) contains details of eligible apprenticeships.
- P22. We use the term 'employer' to mean an organisation that has a contract of service and an apprenticeship agreement with an apprentice. This can include an apprenticeship training agency (ATA). This may also include a company or charity whose PAYE scheme the employer has connected to their apprenticeship service account in accordance with HMRC's definition of [connected companies and charities](#). All references to an 'employer' are in relation to the whole organisation and not individual sites or locations.
- P23. We use the term 'end-point assessment organisation' to include organisations on the [register of end-point assessment organisations](#). End-point assessment organisations are selected by the employer. You and the end-point assessment organisation will need a form of contract in writing in order for them to be paid for delivering the end-point assessment as part of the employer's agreed apprenticeship programme.
- P24. We use the term 'training' to mean the delivery of training and on-programme assessment by a main provider or any organisation contracted to a main provider for this purpose.
- P25. The 'apprenticeship service' is the service that will allow employers to choose, and pay for, the apprenticeship training that they want and will support the uptake of apprenticeships. The service is designed primarily for employers, with information coming from a range of different sources, including training providers.
- P26. We use the term 'employer's account' or 'apprenticeship service account' to mean the part of the apprenticeship service that will allow employers to view the funds that they have available to direct us to pay for their chosen apprenticeship training and assessment in England.
- P27. We use the term 'government-employer co-investment' to mean funding that is not paid for from an employer's [apprenticeship service](#) account (because the employer does not pay the levy or has insufficient levy funds in their apprenticeship service account). Employers will need to make a mandatory co-investment with the government, which we detail in paragraphs P189 to P194.

# What is an apprenticeship?

## Genuine job

P28. An apprenticeship is a genuine job with an accompanying skills development programme. Through their apprenticeship, apprentices gain the technical knowledge, practical experience and wider skills they need for their immediate job and future career. The apprentice gains this through a wide mix of learning in the workplace, formal off-the-job training and the opportunity to practise new skills in a real work environment.

P29. By 'genuine' we mean that:

- 29.1 The apprentice must have a contract of service with an employer, or an apprenticeship training agency (ATA), which is long enough for them to complete the apprenticeship successfully (including the end-point assessment if applicable). The only exceptions to this are:
  - 29.1.1 apprentices who have been made redundant less than six months before the final day of their apprenticeship<sup>1</sup> (see paragraphs P42.4, P231 and P232);
  - 29.1.2 apprentices who have been made redundant with more than six months but less than 12 months of their apprenticeship – these apprentices may seek a further contract of service with a duration of less than 12 months; and
  - 29.1.3 particular office holders, namely constables of English police forces and ministers or trainee ministers of a religious denomination, who are not engaged under a contract of service.<sup>2</sup>
- 29.2 the cost of the apprentice's wages must be met by the employer
- 29.3 the apprentice must have a job role (or roles) with the employer that provides the opportunity for them to gain the knowledge, skills and behaviours needed to achieve their apprenticeship
- 29.4 the apprentice must have appropriate support and supervision on the job, by the employer, to carry out their job role

P30. When the apprenticeship is achieved the apprentice should remain with the employer, where a job opportunity continues to exist and where the apprentice wishes to remain. Where this is not possible, the apprentice must be supported by their provider and employer to seek alternative opportunities.

---

<sup>1</sup> Regulation 6(5), [Apprenticeships \(Miscellaneous Provisions\) Regulations 2017](#)

<sup>2</sup> Regulation 6(6), [Apprenticeships \(Miscellaneous Provisions\) Regulations 2017](#)

P31. The ESFA will monitor apprentice destination data and HMRC data to ensure that job roles are genuine and are not created purely for the purposes of the apprenticeship programme. We will take action if employer recruitment practice is detrimental either to apprentices or to the apprenticeship brand.

### **Off-the-job training**

P32. Off-the-job training is training received by the apprentice, during the apprentice's normal working hours, for the purpose of achieving their apprenticeship. It is not training delivered for the sole purpose of enabling the apprentice to perform the work for which they have been employed.

P33. Off-the-job training must be directly relevant to the apprenticeship framework or standard, teaching new knowledge, skills and behaviours required to reach competence in the particular occupation. It can include training that is delivered at the apprentice's normal place of work and can include the following:

33.1 the teaching of theory (for example, lectures, role playing, simulation exercises, online learning, and manufacturer training)

33.2 practical training, shadowing, mentoring, industry visits, and attendance at competitions

33.3 learning support and time spent writing assessments/assignments

P34. Off-the-job training does not include:

34.1 training to acquire skills, knowledge and behaviours that are not required in the standard or framework;

34.2 progress reviews or on-programme assessment required for an apprenticeship framework or standard;

34.3 training which takes place outside the apprentice's paid hours

P35. If planned off-the-job training is unable to take place as scheduled, you must ensure this is rearranged. All off-the-job training must take place during paid hours. Apprentices may choose to spend additional time on training outside their paid hours, but this must not be required to complete the apprenticeship.

P36. At least 20% of the apprentice's paid hours, over the planned duration of the apprenticeship, must be spent on off-the-job training. Apprentices may need more than 20% off-the-job training (see paragraph P37). Evidence must be available to support the training delivered. By paid hours we mean the apprentice's contracted hours (e.g. 30 hours per week x 52 weeks x 0.2 = 312 hours off-the-job training per year).

P37. English and maths up to and including level 2 does not qualify for the purposes of the 20% requirement; this must be additional to the 20% off-the-job training requirement.



## Apprentices' wages

P38. Every apprentice must be an employee on the first day of their apprenticeship and be paid a lawful wage for the time they are in work and in off-the-job training. An employer can only pay the apprenticeship minimum wage from the start of the apprenticeship programme and not before. You can find information on the national minimum wage, the apprenticeship rate, and the definition of an employee on [GOV.UK](https://www.gov.uk).

## Use of funds

P39. To use funds in an employer's apprenticeship service account or from government-employer co-investment for an apprenticeship, you must:

39.1 retain evidence of the apprentice's employment

39.2 be satisfied that the apprenticeship is the most appropriate learning programme and have evidence that it is either:

39.2.1 a new job role

39.2.2 an existing job role, where the individual needs significant new knowledge and skills

39.3 have evidence that the apprentice will spend at least 20% of their time on off-the-job training (see paragraphs P32 to P37), recognising that apprentices may need more than 20% off-the-job training (for example, if they need English and maths training)

39.3.1 it is up to you and the employer to decide how the off-the-job training is delivered. This may include regular day release, block release, and special training days/workshops

39.4 have evidence that the job allows the apprentice to gain wider employment experience as part of the apprenticeship

P40. You must not use funds from an employer's apprenticeship service account or government-employer co-investment for any part of any apprentice's programme where either you or another party claim funding from another government department or agency for the same purpose. This includes any funding from the European Social Fund, the Education and Skills Funding Agency or Jobcentre Plus for that individual.

P41. You must not claim funding for any part of any apprentice's programme that duplicates training or assessment they have received from any other source.

## Apprenticeship agreement and commitment statement

P42. You must have evidence that the apprentice has an [apprenticeship agreement](#) with their employer at the start of, and throughout, their apprenticeship. For standards, this is defined in section A1(4) of the [Apprenticeships, Skills, Children and Learning Act 2009](#) (as amended by the [Enterprise Act 2016](#)); for frameworks, this is defined in section 32.

- 42.1 This can be a written statement of particulars under the [Employment Rights Act 1996](#), a contract of service or a letter of engagement.
- 42.2 In relation to standards, the approved English apprenticeship agreement must also (i) set out the amount of time the apprentice will spend in off-the-job training, and (ii) the planned end date of the apprenticeship's practical period, called the "final day". (It may be necessary to amend this when circumstances change. See the "changes to the apprenticeship, main provider or employer" section for more information.) These requirements are provided for in the [Apprenticeships \(Miscellaneous Provisions\) Regulations 2017](#).
- 42.3 You must keep a copy of any revisions to the apprenticeship agreement resulting from a change in circumstance in the evidence pack.
- 42.4 Apprentices who are made redundant up to six months before the final day of their apprenticeship do not need to be employed under an apprenticeship agreement (see paragraphs P29.1.1, P231 and P232).
- P43. You must have in place an apprenticeship agreement and a commitment statement (see paragraphs P213 to P214) at the start, and for the entire length of, the apprenticeship (updated as needed), with signed copies. These must be distributed to all three parties (training provider, employer and apprentice).

### **Apprenticeship duration and employment hours**

- P44. The minimum duration of an apprenticeship is one year unless the framework or standard specification or assessment plan requires it to be longer. For apprenticeship standards, the end-point assessment can only be taken after the minimum duration has been met (see paragraph P136).
- P45. You must ensure the apprenticeship meets the minimum apprenticeship duration rules. This includes where the content and/or duration of the apprenticeship has been adjusted to recognise prior learning.
- P46. The apprentice must be employed until the end-point assessment (where applicable) is completed.
- P47. You must not claim an apprenticeship framework completion certificate on behalf of the apprentice from [Apprenticeship Certificates England](#) if the minimum duration has not been met. For standards, you must ensure that the minimum duration has been met as part of confirming the end-point assessment gateway requirements.
- P48. The apprentice must be involved in active learning or monitored workplace practice throughout an apprenticeship. The apprentice can, after achieving all mandatory requirements of an apprenticeship, stay in learning until they meet the minimum duration and embed the skills they have gained. You must have evidence that the apprentice continues in learning.
- P49. The minimum duration of each apprenticeship is based on the apprentice working 30 hours a week or more, including any off-the-job training they undertake.

- P50. The apprentice must work enough hours each week so that they can undertake sufficient, regular training and on-the-job activity. This is to ensure the apprentice is likely to successfully complete their apprenticeship. You must keep evidence of the agreed average weekly hours, including time spent on off-the-job training in the evidence pack.
- P51. The employer must allow the apprentice to complete the apprenticeship within their working hours. This includes English and maths. They must provide you with evidence of this for you to keep in the evidence pack.
- P52. If the apprentice works fewer than 30 hours a week you must extend the minimum duration (pro rata) to take account of this. This will also apply to any temporary period of part-time working.
- P53. Where a part-time working pattern is needed, you must jointly agree with the employer and the apprentice the extended apprenticeship duration. You must also meet the conditions set out in paragraph P57.
- P54. Where part-time working is agreed, you must:
- 54.1 record the agreed average number of hours each week
  - 54.2 evidence why this working pattern is needed
  - 54.3 extend the minimum duration using the following formula:
    - 54.3.1  $12 \times 30 / \text{average weekly hours} = \text{new minimum duration in months}$
- P55. Zero-hours contracts are acceptable only where they meet all of the other rules in this document. For an apprentice with a zero-hour contract you must ensure the employer extends the duration of the apprenticeship in proportion to the hours they work.
- P56. An apprentice with a zero-hours contract must be allowed to complete their apprenticeship in their working hours, including the off-the-job training. Where this is not possible, you must record a break in learning in the apprenticeship.
- P57. Working fewer than 30 hours a week or being on a zero-hours contract must not be a barrier to successfully completing an apprenticeship. We will monitor working hours data and patterns of behaviour to ensure that sufficient regular training and on- and off-the-job activity is done to ensure successful completion of the apprenticeship, regardless of the number of hours worked. We reserve the right to take action where alternative working patterns are not managed appropriately leading to a reduction in the quality of the apprenticeship.
- P58. When an apprentice changes their framework or standard, transfers between providers, or returns after a break in learning, you must have evidence that the total amount of time spent on their apprenticeship meets the minimum duration requirements.
- P59. If they start a new apprenticeship, previous durations do not apply in meeting the minimum duration requirements. The only exception to this is where an apprentice is made redundant with more than six, but less than 12 months remaining before their final day. They may seek a further [apprenticeship agreement](#) which takes their prior

apprenticeship experience into account. This further agreement may provide for a duration of less than 12 months.

## Who can be funded?

- P60. You are responsible for checking the eligibility of the individual at the start of their apprenticeship programme. You can only use funds in the employer's apprenticeship service account or government-employer co-investment for those who are eligible. You must retain evidence of the individual's eligibility.
- P61. To use funds in the employer's apprenticeship service account or government-employer co-investment, the individual must:
- 61.1 start their apprenticeship after the last Friday in June of the academic year in which they have their 16th birthday
  - 61.2 be able to complete the apprenticeship within the time they have available; if you know an individual is unable to complete the apprenticeship in the time they have available, they must not be funded
  - 61.3 not be undertaking another apprenticeship, or another DfE funded FE/HE programme, at the same time as any new apprenticeship they start. Individuals on a sandwich placement as part of a degree programme must not complete an apprenticeship during this placement.
  - 61.4 not be asked to contribute financially to the direct cost of training, on programme or end-point assessment. This includes both where the individual has completed the programme successfully or left the programme early. Direct costs include any co-investment or additional training and assessment costs above the funding band that the employer has paid directly to the training provider where this is part of the agreed apprenticeship.
  - 61.5 not use a student loan to pay for their apprenticeship (where an individual transfers to an apprenticeship from a full-time further education or higher education course, and that course had been funded by a student loan, the loan must be terminated)
  - 61.6 spend at least 50% of their working hours in England over the duration of the apprenticeship. You must develop arrangements with the relevant devolved administration if you are planning to deliver apprenticeships to individuals who do not spend at least 50% of their working hours in England over the duration of their apprenticeship, including time spent on off-the-job training.
  - 61.7 have the right to work in England
  - 61.8 be one of the following:
    - 61.8.1 a citizen of a country within the European Economic Area (EEA) (including other countries determined within the EEA or

those with bilateral agreements), or have the right of abode in the UK, and have been ordinarily resident in the EEA (including other countries determined within the EEA or those with bilateral agreements), for at least the previous three years on the first day of the apprenticeship

61.8.2 a non-EEA citizen with permission from the UK government to live in the UK (not for educational purposes), and have been ordinarily resident in the UK for at least the previous three years before the start of the apprenticeship

P62. Annex A of this document includes further rules on individuals with unusual eligibility status as well as the list of all the countries and territories in the EEA.

P63. As an exception, we will also allow the following individuals to be funded from an employer's apprenticeship service account or using government-employer co-investment:

63.1 armed forces and Royal Fleet Auxiliary personnel to undertake a statutory English apprenticeship wherever they are based in the United Kingdom

63.2 members of other nations' armed forces stationed in England and their family members, where the family member has a right to work in the United Kingdom, if the armed forces' individual has been ordinarily resident in England for three years. We will not fund family members that stay outside of England

63.3 apprentices whose occupation involves significant travel outside of the UK as part of their job (such as in travel or tourism) or work offshore (such as on an oil platform) and they have an identified registered work location in England. You must not claim for the additional expense of delivering learning outside of England.

P64. You must not claim funding for individuals who do not meet the eligibility criteria set out in this document unless they are eligible under the [Education \(Fees and Awards\) \(England\) Regulations 2007](#) (as amended). You must not claim for individuals who:

64.1 are here illegally

64.2 are resident in the United Kingdom on a tier 4 (general) student visa unless they are eligible through meeting any other of the categories described above

64.3 are non-EEA citizens in the United Kingdom on holiday, with or without a visa

64.4 have overstayed their immigration or visitor visa

64.5 are non-EEA citizens and are a family member of a person granted a tier 4 visa, have been given immigration permission to stay in the UK and have not been ordinarily resident in the UK for the previous three years on the first day of learning

64.6 are ordinarily resident in the Channel Islands or Isle of Man, unless they are

also ordinarily resident within England

- 64.7 have a biometric residence permit or residence permit imposing a study prohibition or restriction on the individual
- P65. Where you are using funds from an employer's apprenticeship service account you must have confirmation from the employer that the apprentice is employed by that employer or a [connected company or charity](#) as defined by HMRC. This also applies where the apprentice is funded by a transfer of funds from another employer.
- P66. Any eligible individual can be funded to undertake an apprenticeship at a higher level than a qualification they already hold, including a previous apprenticeship.
- P67. We will fund an apprentice to undertake an apprenticeship at the same or lower level than a qualification they already hold, if the apprenticeship will allow the individual to acquire substantive new skills and you can evidence that the content of the training is materially different from any prior qualification or a previous apprenticeship. More information is detailed in paragraph P243.26.
- P68. The age of the apprentice on the day they start their apprenticeship will be used for all age-based eligibility criteria for that apprenticeship.
- P69. An apprentice's eligibility will not change during the apprenticeship, unless their employment status changes (see paragraphs P231 to P233).
- P70. You must reassess an individual for any new apprenticeship.
- P71. If an apprentice becomes unemployed or self-employed they will at that point no longer be eligible for funding and you must report them as having withdrawn from the apprenticeship on the ILR. If the apprentice has been made redundant, see paragraphs P231 to P233.
- P72. If an apprentice is made redundant, we will continue to fund their training even if they cannot find another employer. Apprentices who are made redundant within six months of their final day will be funded to completion. We will also fund apprentices' training for 12 weeks where they are made redundant more than six months from their final day, while they seek a further [apprenticeship agreement](#) (see paragraph P233).

### **Apprentices with learning difficulties or disabilities**

- P73. We will provide learning support for apprentices to help with learning that affects their ability to continue and complete their apprenticeship. This can be claimed up to the learning actual end-date. Learning support can be claimed by a provider to meet the costs of putting in place a reasonable adjustment as part of the Equality Act 2010.
- P74. Learning support must not be used to deal with everyday difficulties that are not directly associated with an apprenticeship.
- P75. You must:
- 75.1 carry out a thorough assessment to identify the support the apprentice needs

- 75.2 deliver support to meet the apprentice's identified needs, and review progress and continuing needs, as appropriate
  - 75.3 record all outcomes in the evidence pack and keep evidence of the assessment of the needs
  - 75.4 report in the ILR that an apprentice has a learning support need
- P76. Learning support is earned at a fixed monthly rate, which should be enough to cover your costs. This will not be deducted from the employer's apprenticeship service account or require employer co-investment. If the support cost exceeds that earned from the fixed monthly rate, and you provide evidence of this, you can claim excess learning support using the [earnings adjustment statement](#) (EAS). You can find further information on the EAS on [GOV.UK](#).
- P77. You must promptly claim for learning support through the ILR and the EAS. We will not pay you for claims from a previous funding year if you do not claim on time.
- P78. The maximum value of learning support each year claimed through the monthly rate and excess learning support claimed through the EAS is £19,000. If learning support costs for an apprentice exceed this maximum, you will need to complete the [exceptional learning support](#) (ELS) forms so we can authorise you to claim exceptional learning support. You can access the exceptional learning support cost form on [GOV.UK](#).
- P79. To claim ELS for an apprentice aged 19 to 24 without an education, health and care plan (EHC plan), you must confirm why the individual does not have an EHC plan. This should be a letter or email from the apprentice's local authority stating the reason(s) why the individual does not have an EHC plan.

### **Apprenticeship training agency (ATA)**

- P80. An ATA is an organisation whose main business is employing apprentices who are made available to employers for a fee. An ATA must:
- 80.1 be set up as a distinct legal entity so that apprentices can have contracts of service with the ATA
  - 80.2 report that the apprentice is employed by an ATA in the ILR
- P81. An ATA must follow our ATA framework. You can find information on ATAs on [GOV.UK](#).
- P82. Apprenticeships offered by an ATA must comply with the requirements set out in paragraphs P28 to P31 regarding the requirement for a genuine job role. If the job is with a third party, the cost of wages may be met by that third party, but the wages must be paid by the ATA.
- P83. Where the apprentice is employed by a levy-paying ATA they must follow the rules set out in [apprenticeship funding: rules and guidance for levy-paying employers](#).
- P84. Group training associations that offer an ATA service to employers must follow ATA-

specific rules.

## What can be funded?

### Eligible costs

- P85. You must make sure that the apprenticeship is eligible for funds in the employer's apprenticeship service account or government-employer co-investment before the individual starts. [The hub](#) contains details of eligible apprenticeships. Apprentices can only be enrolled against an apprenticeship standard once it is identified as 'approved for delivery' on the [Institute for Apprenticeships](#) website.
- P86. Funds from an employer's apprenticeship service account, government-employer co-investment or the additional transitional funds paid for 16 to 18 year olds on frameworks must only be used for activity directly related to the apprenticeship. These funds must only be used to pay for training and assessment, including end-point assessment, to attain an apprenticeship that is eligible for funding up to the limit of the funding band.
- P87. For organisations that have been accepted to the [register of end-point assessment organisations](#) eligible costs are set in the [conditions of acceptance document](#).
- P88. For training providers and the delivery of training and on-programme assessment, eligible costs include the following:
- 88.1 off-the-job training through a provider, or evidenced costs for employer-provider delivery. This could include some or all of the training aspects of a licence to practise or non-mandatory qualification. In both cases there must be a clear overlap between this training and the knowledge, skills and behaviours needed for the apprenticeship standard
  - 88.2 registration and examination (including certification) costs associated with mandatory qualifications excluding any licence to practise (see paragraph P91.7).
  - 88.3 regular planned on-programme assessments (progress reviews) to discuss progress to date against the commitment statement and the immediate next steps)
  - 88.4 distance, online, or blended learning relating to the off-the-job training element of an apprenticeship
  - 88.5 materials (non-capital items) used in the delivery of the apprenticeship framework or standard. By materials (non-capital items) we mean the equipment or supplies necessary to enable a particular learning activity to happen. These items would not normally have a lifespan beyond the individual apprenticeship being funded
  - 88.6 any administration directly linked to training and assessment, including end-point assessment. This includes costs relating to the ongoing development



of teaching materials, lesson planning, the processing of the ILR, and quality assurance

- 88.7 cost to resit an exam linked to a mandatory qualification, even where no additional learning is required.
  - 88.8 additional learning required to retake a mandatory qualification or an end-point assessment.
  - 88.9 accommodation costs for training delivered through residential modules where the residential training is a mandatory requirement for all apprentices. Any costs for residential modules must represent value for money
  - 88.10 costs of an apprentice taking part in a skills competition if the employer and provider have agreed that participation in the competition directly contributes to helping that individual achieve the apprenticeship standard
- P89. The costs of taking part in any of the above activities may be included in the total negotiated price of training and end-point assessment, agreed between the employer and provider, and the employer and the end-point assessment organisation. The employer and the provider agree the price of the training. The employer and the end-point assessment organisation agree the price of the end-point assessment. If this means the total price exceeds the maximum of the funding band, then the employer must pay in full the difference between the band maximum and the negotiated price.
- P90. Any of the eligible costs outlined in paragraph P88 can be bought in from a third party, including the apprentice's employer, and we will fund them. Where the third party is the apprentice's employer then only actual costs will be funded and these must be recorded. Funds from an employer's apprenticeship service account or government co-investment must not be used to fund other services from a third party.

### **Ineligible costs**

- P91. For training providers and the delivery of training and on-programme assessment, ineligible costs include the following:
- 91.1 enrolment, induction, prior assessment, initial diagnostic testing, or similar activity
  - 91.2 travel costs for apprentices under any circumstances
  - 91.3 apprentice wages
  - 91.4 personal protective clothing and safety equipment required by the apprentice to carry out their day-to-day work
  - 91.5 off-the-job training delivered only by distance learning, although you can include online and other blended learning activity as part of the delivery of an apprenticeship
  - 91.6 any training, optional modules, educational trips or trips to professional events in excess of those required to achieve the apprenticeship framework

or meet the knowledge, skills and behaviours of the apprenticeship standard. This includes training solely and specifically required for a licence to practise

- 91.7 registration and examination (including certification) costs associated with a licence to practise. This applies even where a licence to practise is specified in the apprenticeship standard and assessment plan
  - 91.8 registration and examination (including certification) costs for non-mandatory qualifications (qualifications that are not specifically listed in the standard)
  - 91.9 end-point assessment costs incurred by the training provider but not included in the price negotiated between the employer and the end-point assessment organisation
  - 91.10 English and maths up to level 2 (this is funded separately)
  - 91.11 repeating the same regulated qualification where the apprentice has previously achieved it unless it is a requirement of the apprenticeship or for any GCSE where the apprentice has not achieved grade C, or 4, or higher
  - 91.12 accommodation costs where the apprentice is resident away from their home base, because of the requirements of their day-to-day work or because this is convenient for the employer or provider. Residential costs associated with non-mandatory learning, including qualifications, are also excluded
  - 91.13 capital purchases including lease agreements. Capital purchases are long-term assets which would have a lifespan beyond the apprenticeship being funded, such as land, buildings, machinery and ICT equipment (e.g. tablets and similar electronic devices)
  - 91.14 maintenance of capital purchases. This includes vehicle parts and labour, insurance and MOT
  - 91.15 time spent by employees/managers supporting or mentoring apprentices, or the time of other employed staff arranging training support, except where this is directly linked to the training and assessment, including end-point assessment. For example, we would not expect to pay for any time spent by the apprentice's line manager for any of these activities
  - 91.16 specific services not related to the delivery and administration of the apprenticeship. This includes the recruitment and continuing professional development of staff involved in apprenticeships, company inductions, managing agents, brokerage services (to an employer or provider) and the costs of memberships or other costs paid to employers, or their representatives, associated with procurement registers or opportunities to secure business
- P92. You can only use funds in the employer's apprenticeship service account to pay for apprenticeship training and assessment for apprentices employed by that employer or a [connected company or charity](#).

- P93. Where an apprentice is employed by a non-levy-paying ATA, the ATA will be able to access support for training and assessment through government and employer co-investment.
- P94. You must not pay incentives or inducements or any other payment not authorised by us to the employer or to an end-point assessment organisation in relation to any part of the apprenticeship programme.

### **Additional payments**

- P95. You and the employer will receive a payment towards the additional cost associated with training if, at the start of the apprenticeship, the apprentice is:
- 95.1 aged between 16 and 18 years old (or 15 years of age if the apprentice's 16th birthday is between the last Friday of June and 31 August)
  - 95.2 aged between 19 and 24 years old and has either an EHC plan provided by their local authority or has been in the care of their local authority as defined in paragraph P97
- P96. You will also receive a payment if, at the start of the apprenticeship, the apprentice is undertaking an apprenticeship framework and is recorded on the ILR as having a postcode prior to enrolment, listed within the 27% most deprived areas of the country according to the [index of multiple deprivation \(IMD\) 2015](#).
- P97. A child in care is defined as
- 97.1 an eligible child - a young person who is 16 or 17 and who has been looked after by the local authority/health and social care trust for at least a period of 13 weeks since the age of 14, and who is still looked after
  - 97.2 a relevant child - a young person who is 16 or 17 who has left care after their 16th birthday and before leaving care was an eligible child
  - 97.3 a former relevant child - a young person who is aged between 18 and 21 (up to their 25th birthday if they are in education or training) who, before turning 18, was either an eligible or a relevant child
- P98. Before any apprenticeship starts, you must have evidence that you are eligible for these payments in respect of each apprentice. You must check this and either the employer or the apprentice must provide you with evidence to keep in the evidence pack.
- P99. Where these payments are for apprentices aged between 19 and 24 years old at the start of their apprenticeship (see paragraph P95.2), you must include consent from the apprentice to inform the employer that they have an EHC plan or that they have been in the care of their local authority and either:
- 99.1 a signed, original declaration from the apprentice to confirm they are a care leaver; or
  - 99.2 evidence of an EHC plan

P100. These payments will be paid as follows:

- 100.1 90 days after the apprentice starts, 50% will be paid if the apprentice is still undertaking their apprenticeship
- 100.2 365 days after the apprentice starts, the remaining 50% will be paid if the apprentice is still undertaking their apprenticeship

P101. You will also receive the additional payments due to the employer and you must pass these on in full to the employer within 30 working days of receiving this funding from us. Where an apprentice is employed by an ATA, any applicable additional payments must be paid to the ATA.

P102. For frameworks, you will also receive an additional payment of 20% of the funding band maximum if the apprentice is aged between 16 and 18. The payment will only be available in 2017 to 2018 as a transitional measure. This must only be used to fund the eligible costs described in paragraph P88. The [apprenticeship technical funding guide](#) gives more information on how uplifts are paid. Employers do not have to contribute to this additional funding.

### **Extra support for small employers**

P103. The government will fund all of the apprenticeship training costs, up to the maximum value of the funding band for the apprenticeship, for employers employing fewer than 50 people if, on the first day of their apprenticeship, the apprentice is:

- 103.1 aged between 16 and 18 years old (or 15 years old if the apprentice's 16th birthday is between the last Friday of June and 31 August)
- 103.2 aged between 19 and 24 years old and either has:
  - 103.2.1 an EHC plan provided by their local authority
  - 103.2.2 or has been in the care of their local authority as defined in paragraph P97

P104. You must not request any employer contribution (see paragraphs P189 to P194) to the cost of an apprenticeship up to the maximum value of the funding band if an employer employing fewer than 50 people recruits an eligible apprentice.

P105. If the price negotiated by you and the employer is above the maximum value of the funding band for the apprenticeship, the employer must pay in full the difference between the band maximum and the agreed price. This cannot be funded from an employer's apprenticeship service account.

P106. Before any apprenticeship starts, you must have evidence that the apprentice and employer are eligible for the waiving of the employer contribution. The employer must provide evidence that they employed an average of 49 or fewer employees in the 365 days before the apprentice was recruited (using the calculation set out in paragraph P107) and you must keep this in the evidence pack.

P107. We define the number of employees as the number of people with a contract of

service. This must be calculated using the average number of employees with a contract of service in the 365 days before the apprentice is recruited. If the average number of employees is 49 and the recruitment of apprentices takes this number to 50, the employer will still be eligible to receive this extra support. However, if the average number of employees is 50 and the recruitment of apprentices takes this number to 51, the employer will not be eligible to receive this extra support.

## Support for English and maths training

- P108. We will fund apprentices to achieve qualifications in English or maths (or both) if they do not already meet the required standard (see below). This will be paid in full to you by the ESFA at the rate we set, and will not be deducted from the employer's apprenticeship service account or require employer co-investment.
- P109. You can claim funding for apprentices who have not previously attained a GCSE grade A\* to C (or 9 to 4) in English or maths (or both) on the day they start the following qualifications:
- 109.1 GCSE English language or maths (or both)
  - 109.2 functional skills English or maths at level 2 (or both)
- P110. We will fund functional skills English and/or maths at level 1 or below if you have conducted a thorough initial assessment using current assessment tools based on the national literacy and numeracy standards and core curriculum that shows the apprentice needs to study a lower level before being able to achieve their level 2.
- P111. In exceptional circumstances, we will fund:
- 111.1 re-takes of English and/or maths qualifications during the course of the apprenticeship to achieve the required standard and where apprentices receive further teaching. We will monitor this behaviour to identify where providers continue to claim for further attempts of English and/or maths for potential financial gain and will take action where necessary
  - 111.2 [other approved qualifications](#) (including components, where applicable) where an apprentice will need significant, additional numeracy and literacy support that is not met through immediate entry onto a GCSE or functional skills course
  - 111.3 ESFA approved Ofqual-regulated level 1 and level 2 awards and certificates in British Sign Language (BSL) as an alternative to functional skills English for apprentices whose first language is BSL
- P112. Any English and/or maths requirements for the achievement of a standard/framework that are in addition to those set out above must be funded from an employer's apprenticeship service account or through government-employer co-investment. Where this is not a requirement of a standard/framework and is not set out above, the cost cannot be funded through government employer co-investment or an employer's apprenticeship service account and must be paid in full by the employer.
- P113. For level 2 apprenticeships where level 2 English or maths are not required for the apprenticeship and the apprentice does not already hold acceptable qualifications (see [published list](#) for frameworks and Annex G for standards) apprentices must:

- 113.1 achieve English and maths qualifications of at least level 1 (functional skills level 1 or GCSE grade E or 2) before taking the end-point assessment or achieving an apprenticeship framework
  - 113.2 start, continue to study and take the test for level 2 English and maths (functional skills Level 2 or GCSE) before they complete their apprenticeship, although they do not have to achieve level 2 English and maths to complete their apprenticeship
- P114. For apprenticeships at level 3 and above, or where level 2 English and/or maths are a mandatory part of the framework or standard and the apprentice does not already hold acceptable qualifications (see published list for frameworks and Annex G for standards):
- 114.1 apprentices must achieve level 2 functional skills or GCSE grade A\* to C (or 9 to 4) in English and maths before taking their end-point assessment or achieving an apprenticeship framework
- P115. Adjustments to the English and maths regular minimum requirements for apprentices with special educational needs, learning difficulties or disabilities are outlined in the next section (paragraphs P118-P125).
- P116. If the apprentice is made redundant, they are allowed to continue with their English and/or maths up to and including level 2. You can continue to claim funds at the published apprenticeship English and maths rates.
- P117. An apprentice must not be funded from the adult education budget for English or maths.

**Exceptions to the regular English and maths minimum requirements for people with special educational needs, learning difficulties or disabilities**

- P118. The rules in this section (paragraphs P118 to P125) apply to all apprenticeships, including existing apprentices currently engaged on a programme. Where the apprentice needs to change to entry level 3 for English and/or maths due to their disability or learning difficulty the provider should record this in the ILR as a change in the usual way.
- P119. Every effort should be made to enable apprentices to achieve the regular minimum English and maths requirements of the specific apprenticeship, including appropriate use of access arrangements, reasonable adjustments and other approved qualifications.
- P120. Apprentices with learning difficulties or disabilities who struggle to achieve the regular English and/or maths minimum requirement due to the nature of their difficulty or disability can instead meet entry level 3 functional skills in English and/or maths. This should be assessed on a case-by-case basis and should satisfy all of the following conditions:
- 120.1 You and the employer expect the apprentice to achieve all other aspects of the apprenticeship requirements, become occupationally competent and achieve entry level 3 in the adjusted subject(s) before the end of their

apprenticeship.

120.2 The apprentice has either an existing or previously issued education, health and care (EHC) plan, a statement of special educational need (SEN) or a learning difficulty assessment (LDA).

120.3 You hold or have conducted an evidenced assessment demonstrating that even with support, reasonable adjustments and stepping stone qualifications, the apprentice, as a result of their learning difficulty or disability, will not be able to achieve English and/or maths to the minimum level within the timeframe projected for them to complete all the occupational elements of their apprenticeship under a framework or be otherwise ready to progress to their end-point assessment under a standard.

P121. Depending on the apprentice's individual circumstances and assessment, this adjustment may apply to one subject, or to both English and maths. If the adjustment is only applied to one subject, the regular requirements for the non-adjusted subject will apply.

P122. Although the apprentice will be exempt from the regular English and/or maths minimum requirements, providers must plan and evidence how the apprentice will access further literacy and numeracy development, including level 1 and level 2 courses, as part of their overall training provision, if appropriate.

P123. The assessment must be formal, structured, by an appropriate professional associated with the training provider, such as the head of SEN or student support. For new apprenticeship starts after 29 September 2017, the assessment must be conducted within eight weeks of an apprentice beginning their apprenticeship. Existing apprentices on this date who may benefit from the adjusted minimum requirements must be reassessed by 31 August 2018. Assessments must include:

123.1 assessment of the apprentice's current English and maths ability

123.2 information on how the learning difficulty or disability affects the apprentice's English and maths abilities and a clear indication of whether one or both English and maths are affected

123.3 assessment of the apprentice's ability to meet the regular English and maths requirements even with appropriate support in place

123.4 creation of a recommended learning plan to enable the apprentice to achieve entry level 3 functional skills in the adjusted subject(s) and, where appropriate, to continue to build on their literacy and numeracy skills by accessing further courses

123.5 collection of copies of an education, health and care (EHC) plan, a statement of special educational need (SEN) or a learning difficulty assessment (LDA)

P124. You must retain all elements of the assessment in the evidence pack.

P125. If the apprentice disagrees with the outcome of the assessment, you must provide a facility for the apprentice to request a second opinion. You must ensure that the

assessment is reviewed independently by a second SEN professional. You may determine the format of the review process.

## End-point assessments

- P126. End-point assessment is a holistic and independent assessment of the knowledge, skills and behaviours which have been learnt throughout an apprenticeship standard. The requirements for end-point assessment are set out in the assessment plan for each specific standard. Frameworks have different assessment arrangements and do not require end-point assessment.
- P127. Apprentices will not be able to achieve an apprenticeship standard without satisfying all the requirements of the assessment plan, including the end-point assessment.
- P128. An apprentice can only take the end-point assessment once they have met the minimum duration of an apprenticeship, satisfied the gateway requirements set out in the assessment plan and their employer (in consultation with the training provider) is content they have attained sufficient skills, knowledge and behaviours. You must ensure the apprentice meets the minimum apprenticeship duration rules and is employed until the end-point assessment (where applicable) is completed. The only exception is where the apprentice has been made redundant and we are funding the apprenticeship to completion (see paragraph P231 to P232).
- P129. The employer must select an end-point assessment organisation to deliver the end-point assessment from the register of end-point assessment organisations and negotiate a price with this organisation for the end-point assessment. Only those organisations listed on the RoEPAO will be eligible to be funded.
- P130. Although you will be involved in arrangements for end-point assessment, the assessment itself must be independent (subject to the exception below). The end-point assessment requirements are set out in the assessment plan for the standard. Some assessment plans give the employer and the provider specific roles but providers who have delivered the training cannot make an end-point assessment judgement for that same group of apprentices.
- P131. The end-point assessment for any standard identified as an 'integrated standard' need not be independent. The end-point assessment organisation in these cases may also be the provider.
- P132. You must form a contract in writing with the end-point assessment organisation that has been selected by the employer. This allows you, on behalf of the employer, to make payment to them for conducting the end-point assessment. The written agreement must set out the arrangements for sharing relevant information about the apprentice so end-point assessment and certification can take place, including arrangements for any re-takes and payments. This should also include arrangements for a change of circumstances, which may delay, or lead to the cancellation of, the end-point assessment.
- P133. You must ensure that the price you agree with the employer for the apprenticeship includes the amount the employer has negotiated with the assessment organisation for end-point assessment. This includes the cost of external quality assurance, which involves an external body (as agreed with the [Institute for Apprenticeships](#)) ensuring consistency of quality and approach to end-point assessment against a particular



standard, regardless of which end-point assessment organisation has carried it out. Costs for external quality assurance will depend on the body undertaking it. You must ensure that you engage actively with any request for information from the external body, where applicable.

- P134. We expect that the cost of end-point assessment should not usually exceed 20% of the funding band maximum. This does not mean that end-point assessment must cost 20%; the cost that individual employers will pay for assessment varies between standards and we expect employers to negotiate with assessment organisations to secure value for money. Where total costs are higher than the funding band maximum the difference must be paid by the employer.
- P135. The assessment costs include any costs related to the external quality assurance of the end-point assessment. Eligible costs for end-point assessment organisations are set out in the conditions of acceptance for organisations on the RoEPAO.
- P136. The end-point assessment can only be taken after the minimum duration has been completed (see paragraph P44). You must ensure that the entire duration of the apprenticeship standard for both training and end-point assessment is recorded on the ILR as a minimum of 372 days to be eligible for funding.
- P137. You must keep evidence of payments made to the end-point assessment organisation for conducting the end-point assessment.

## **Contracting and subcontracting**

### **Main providers directly delivering training or on-programme assessment**

- P138. You can only be funded for apprenticeship delivery to employers who do not pay the apprenticeship levy if you have a [“contract for services – non-levy apprenticeship education and training”](#) with us.
- P139. Funding for all elements of each apprenticeship will be routed through a single provider that the employer has chosen. This includes funding for English and maths.
- P140. At the outset of each apprenticeship, a main provider and employer will agree a plan for its delivery. You must directly deliver some of the apprenticeship training and/or on-programme assessment associated with each employer’s apprenticeship programme. By apprenticeship programme we mean the apprentices that are being trained for the employer that has chosen you. The volume of training and/or on-programme assessment that you directly deliver for each employer must have some substance and must not be a token amount to satisfy this rule. It must not be limited to a brief input at the start of each employer’s programme or involve delivery to just a few of a large number of apprentices.

### **Agreeing the use of subcontractors with employers**

- P141. You must take your own legal advice about the impact of the [Public Contracts Regulations 2015](#) on your recruitment of delivery subcontractors and satisfy yourself that you are able to comply with the requirements of those regulations. You must

provide a synopsis of the legal advice for inspection by us and employers on request.

- P142. You can use delivery subcontractors to complement your own delivery if requested by an employer and agreed at the start of an apprenticeship. Within an employer's apprenticeship programme (conditional on paragraph P140) delivery subcontractors can deliver full or part-apprenticeship training for frameworks and standards.
- P143. You must only use delivery subcontractors that satisfy one of the following three criteria:
- 143.1 they are on the published [register of apprenticeship training providers](#) and have applied by the main or supporting application routes
  - 143.2 they are either the apprentice's employer, a [connected company or charity](#) as defined by HMRC and are on the published register of apprenticeship training providers, having applied through the employer-provider application route
  - 143.3 they are not on the published register of apprenticeship training providers but will deliver less than £100,000 of apprenticeship training and on-programme assessment under contract across all main providers and employer-providers between 1 May and 31 March 2018
- P144. You must not agree to the use of delivery subcontractors with an employer if you do not have knowledge, skills and experience of contracting with, and managing, delivery subcontractors.
- P145. You must carry out your own due diligence checks on potential delivery subcontractors. The process and results must be available for inspection by us and employers. You must not use a potential delivery subcontractor's presence on the register of apprenticeship training providers, or any other public register or database, as an indicator that they are suitable to deliver to your, or the employer's, specific requirements.
- P146. You must not agree with an employer the use of a delivery subcontractor that you assess is unsuitable, or whose quality of delivery is demonstrably inadequate, even where the employer decides not to work with you as a consequence.
- P147. You must have robust procedures in place to ensure you do not inadvertently fund extremist organisations through the subcontracting of apprenticeship training and/or on-programme assessment.
- P148. You must not agree the use of any delivery subcontractor where this would require you to subcontract apprenticeship training and/or on-programme assessment to a second level. All of your delivery subcontractors must be contracted directly by you. The restriction on the level of subcontracting is in place to ensure:
- 148.1 that lead providers retain clear and transparent accountability for the quality of training provision
  - 148.2 that proper and appropriate controls are in place to manage the apprentice experience; and

148.3 that value for money is achieved by mitigating funding being utilised for multiple tiers of subcontractor management

P149. You must maintain the relationship with each employer at all times. You must not allow a delivery subcontractor to lead that relationship.

### **Your written agreement with each employer**

P150. If you and an employer agree the use of delivery subcontractors, you must have an up-to-date written agreement in place with each employer that sets out the following for the delivery of their apprenticeship programme:

150.1 the apprenticeship training and/or on-programme assessment that you will directly deliver

150.2 the amount of funding you will retain for your direct delivery

150.3 the apprenticeship training and/or on-programme assessment that each delivery subcontractor will contribute to the employer's apprenticeship programme

150.4 the amount of funding you will pay each delivery subcontractor for their contribution

150.5 the amount of funding you will retain to manage and monitor each delivery subcontractor

150.6 the support you will provide each delivery subcontractor in exchange for the amount of funding you will retain

150.7 the monitoring you will undertake to ensure the quality of the apprentice training and/or on-programme assessment you have contracted your delivery subcontractors to carry out

150.8 any actual or perceived conflict of interest between you and any delivery subcontractors. For example, where you and a delivery subcontractor are part of the same group, share common directors or senior personnel, or where you will benefit financially from using a particular delivery subcontractor

### **Delivery of apprenticeship training and on-programme assessment by delivery subcontractors**

P151. You are responsible for all of the actions of your delivery subcontractors that are connected to, or arise out of, all the apprenticeship training and on-programme assessment that you subcontract.

P152. You carry overall responsibility for the quality of apprenticeship training and on-programme assessment undertaken by your delivery subcontractors.

P153. You must manage and monitor all of your delivery subcontractors to ensure that high-quality delivery is taking place that meets our funding rules.

P154. You must carry out a regular and substantial programme of quality-assurance checks on the apprenticeship training and on-programme assessment provided by delivery subcontractors, including visits at short notice and face-to-face interviews with staff and apprentices. The programme must:

154.1 include whether the apprentices exist and are eligible

154.2 involve direct observation of initial guidance, assessment and delivery of training and/or on-programme assessment

P155. Your findings must be consistent with these funding rules, your expectations and the subcontractor's records. You must report any instances to us where this is not the case.

P156. If any of your delivery subcontractors undergoes a change of circumstances that affects its ability to continue to deliver under a subcontract with you, you must make alternative delivery arrangements for each apprentice affected by this, in agreement with their employer. Change of circumstances include going into liquidation or administration, key delivery staff leaving the organisation, or removal from the register of apprenticeship training providers. The change of delivery arrangements must be recorded in your written agreement with the employer.

### **Contracting with delivery subcontractors**

P157. You must have a legally binding contract with each delivery subcontractor.

P158. You must obtain an annual report from an external auditor if the total apprenticeship contracts with your delivery subcontractors will exceed £100,000 in any one financial year. The report must provide assurance on the arrangements to manage and control your delivery subcontractors. The report must comply with any guidance issued by us. You must supply us with a certificate signed by the external auditor and an authorised signatory to confirm you have received a report that provides satisfactory assurance. We may ask you to provide a copy of the full report.

P159. Your contract with each delivery subcontractor must specify the following:

159.1 they must keep to our funding rules

159.2 they must provide you with ILR data so that your data returns to us accurately reflect delivery information

159.3 they must give us, and any other person nominated by us, access to their premises and to all documents related to their delivery of apprenticeships

159.4 they must give you sufficient evidence to allow you to:

159.4.1 assess their performance against Ofsted's common inspection framework or the requirements of the QAA quality code

159.4.2 incorporate the evidence they provide into your self-assessment report

- 159.4.3 guide the judgements and grades within your self-assessment report
- 159.5 they must always have suitably qualified staff available to provide apprenticeship training and/or on-programme assessment
- 159.6 they must co-operate with you to ensure that there is continuity of learning for apprentices if the subcontract ends for any reason
- 159.7 they must tell you if evidence of irregular financial or delivery issues arises. This could include, but is not limited to, non-delivery of training when funds have been paid, sanctions imposed by an awarding organisation, allegations of fraud, an inadequate Ofsted grade, not meeting relevant QAA quality code indicators, allegations or complaints by apprentices, employers, staff members, or other relevant parties
- 159.8 they must not use our funding to make bids for, or claims from, any European funding on their own behalf or on our behalf
- 159.9 they must not use payments made as match funding for ESF projects

### **Special conditions for subcontracting to employer-providers**

- P160. Organisations who have successfully applied through the employer-provider route of the register of apprenticeship training providers are only eligible to deliver apprenticeship training and/or on-programme assessment to apprentices employed either by them or a [connected company or charity](#) as defined by HMRC. You must ensure any employer-providers who are delivery subcontractors to you meet this requirement.
- P161. Employer-providers must evidence the actual costs of delivery of apprenticeship training and on-programme assessment (see the [apprenticeship funding: rules for employer-providers](#))

### **Special conditions for subcontracting to ‘supporting’ providers**

- P162. Delivery subcontractors who have successfully applied to the supporting application route of the register of apprenticeship training providers must not receive more than £500,000 of apprenticeship funding for their delivery from 1 April to 31 March each year.
- P163. You must ensure that you are not one of a number of organisations making payments to any ‘supporting’ provider that exceed £500,000 in any one year. We will place restrictions on your future use of delivery subcontractors if this happens.
- P164. We will permanently exclude any provider that has applied to the register of apprenticeship training providers through the supporting application route where they allow their funding to exceed this total in any one year.

## **Special conditions for subcontracting to organisations not on the register of apprenticeship training providers**

- P165. Organisations who are not on the register of apprenticeship training providers must not receive more than £100,000 of apprenticeship funding for their delivery from 1 April to 31 March each year.
- P166. You must ensure that you are not one of a number of organisations making payments to any organisation not on the register of apprenticeship training providers where the total apprenticeship funding they receive exceeds £100,000 in any one year. We will place restrictions on your future use of delivery subcontractors if this occurs.
- P167. We will permanently exclude any organisation from delivering apprenticeship training as a subcontractor where they allow their funding to exceed this total in any one year.

## **Special conditions for all instances where the employer is the delivery subcontractor**

- P168. Where the employer is the delivery subcontractor you must only pay them for actual costs of delivery. Employers must not profit from apprenticeship delivery to their own employees.

## **Reporting your use of delivery subcontractors to us**

- P169. You must provide a fully completed [delivery subcontractor declaration](#) form by the dates we will give you. This will be at least twice between 1 April to 31 March each year. If you do not return the form on time, we will suspend your payments. If you do not subcontract, you must still provide a nil return form to confirm this.

## **Disputes and issue resolution between the employer and main provider**

- P170. You are responsible for resolving issues and disputes between the employer and your delivery subcontractors. Training providers and assessment organisations must provide employers and apprentices with their written complaints and dispute resolution procedure, policy and process. The first contact point for this must be included in the written agreement and in the commitment statement.
- P171. Agreements entered into by you and the employer must be legally binding. Dispute resolution should be in accordance with the terms of the written agreement, which ultimately would be enforceable through the courts.
- P172. Apprentices and their employers must be made aware by the main provider that they can contact the apprenticeship helpline regarding apprenticeship concerns, complaints and enquiries. The contact number and website must also be included in the employer's written agreement and in the apprentice's commitment statement.

# Paying for an apprenticeship

## The price of an apprenticeship

P173. Employers and main providers must negotiate a price for the total cost of each apprenticeship, including the training costs and any subcontracted training. The price for apprenticeship standards must include the cost of the end-point assessment which the employer must negotiate with the end-point assessment organisation. The negotiated price of apprenticeship frameworks must include on-programme assessment.

- 173.1 You must account for prior learning when negotiating a price with the employer. You must reduce the content, duration and price, where the individual has prior learning necessary to achieve the apprenticeship. Funds must not be used to pay for skills already attained by the apprentice. You must document how you have assessed the individual's prior learning and include this in the evidence pack (paragraphs P243.17 and P243.26).
- 173.2 You must enter the negotiated prices for training and end-point assessment (where applicable) onto the ILR. Where you and the employer do not know the details of the end-point assessment organisation at the start of the apprenticeship, you must enter the price for end-point assessment once this has been confirmed.
- 173.3 The prices entered onto the ILR must not include any VAT which may be charged on employer co-investment.
- 173.4 If the employer negotiates an overall price that is more than the maximum allowed by the funding band for the chosen apprenticeship, then the employer must pay in full the difference between the band maximum and the total negotiated price. This must not be funded from the apprenticeship service account or co-investment. You may charge VAT on the difference.

P174. You must not offset the negotiated price with the costs of any service provided by the employer. If the employer is legitimately delivering relevant training or an eligible cost supported by these rules then this must be included into the overall price. The cost of the apprenticeship must be transparent.

P175. Once the price has been negotiated, we do not expect the total price of the apprenticeship to increase. The only exceptions to this are when there is a change of circumstances or when the end-point assessment cost is not known at the start of the apprenticeship. We will monitor changes of price and patterns of behaviour to identify any fraudulent activity. You can find further information on changes of circumstance in the 'changes to the apprenticeship, main provider or employer' section (paragraphs P223 to P238).

## When payments are made

P176. Where the employer's apprenticeship service account is used to fund training, we will pay 80% of the negotiated price up to the maximum value of the funding band, in equal monthly instalments according to the planned duration of the apprenticeship,

regardless of how training is scheduled over the duration of the apprenticeship.

- P177. Where apprenticeship training is not funded from the employer's apprenticeship service account (non-levy payers and levy payers with insufficient funds), we will pay 80% of the government co-investment funding in equal monthly instalments according to the planned duration of the apprenticeship, regardless of how training is scheduled over the duration of the apprenticeship. Our monthly instalments will need to be matched with equivalent employer co-investment payments and evidenced every three months (see paragraph P193).
- P178. We will only pay for commitments made with an employer on the apprenticeship service where the employer is expecting to pay the apprenticeship levy in that financial year or where the apprenticeship is funded by a transfer (see paragraphs P203 to P212)
- P179. We will pay the remaining balance of the total negotiated price up to the maximum value of the funding band when the apprentice has undertaken all the learning activity relevant to the apprenticeship, including:
- 179.1 all mandatory elements of the framework
  - 179.2 completing all elements of the end-point assessment for standards
- P180. Where apprenticeship training is not funded from the employer's apprenticeship service account (non-levy payers and levy payers with insufficient funds), to be eligible for the completion payment you must have:
- 180.1 collected the co-investment from the employer and
  - 180.2 reported the cash value of the employer co-investment on the ILR
- P181. You can find detailed information about how funding is calculated in the [apprenticeship technical funding guide](#) for starts from 1 May 2017.

### **Value added tax (VAT)**

- P182. Supplies of training which are paid by government funding, including the apprenticeship levy, are exempt from VAT. This includes additional payments (see paragraphs P95 to P102). Prices entered onto the ILR should not include VAT (see paragraph P185).
- P183. You are responsible for determining the VAT treatment on your invoices to employers.
- P184. The ESFA does not provide advice on VAT. You must always seek your own advice on VAT from [HMRC](#) if you are in any doubt about VAT treatment.
- P185. If you add VAT to invoices and the employer is VAT registered, the employer may be able to recover that VAT through its VAT returns. In determining the costs of training or end-point assessment, an employer will need to check with you if VAT will be added and verify, internally or with HMRC, if it can be recovered.



## **Funds in an employer's apprenticeship service account**

- P186. Where the employer's apprenticeship service account is used to fund training and assessment, employers are responsible for recording the required details of the apprenticeship. They can give you permission to enter this information on their behalf. To be funded from an employer's apprenticeship service account this must correspond with the information recorded on the ILR.
- P187. Only the employer can confirm the spending of funds from their apprenticeship service account. An employer must not delegate this function to you and you must not take on this responsibility.
- P188. In certain circumstances we may need to adjust the balance in an employer's apprenticeship service account as a result of retrospective changes to the amount of apprenticeship levy declared to HMRC. These adjustments could be up or down. An adjustment which reduces the value in their apprenticeship service account might have affected payments already made to you. Where there would have been insufficient funds in the employer's apprenticeship service account, we will take responsibility for these payments and the employer will be required to pay co-investment direct to the ESFA. We will provide you with details of the co-investment value as you may need this for accounting purposes.

## **Employer co-investment**

- P189. Where apprenticeship training is not funded from the employer's apprenticeship service account (non-levy paying employers and levy paying employers with insufficient funds), employers must co-invest 10% of the total negotiated price up to the maximum value of the funding band and 100% where this is above the funding band.
- P190. We will continue to make payments to you provided you record that you have collected the employer's contribution. You must keep evidence that these contributions have been collected. You must not return, in total or in part, the employer's contribution once the co-investment has been collected.
- P191. We may withhold payments including the final completion payment until all the employer co-investment has been collected.
- 191.1 you will need to invoice employers separately for any employer co-investment, including any VAT if applicable.
  - 191.2 you may agree a schedule of co-investment payment with the employer which does not match monthly payments made by us, provided the employer has paid a matching 10% at our three monthly data-points.
- P192. The only exceptions to employer co-investment are for:
- 192.1 English and maths to achieve the required government standard (see paragraphs P108 to P125)
  - 192.2 where the employer qualifies for small employer support (see paragraphs P103 to P107)

192.3 any learning support (see paragraphs P73 to P79)

192.4 where an employer delivers to their own staff as an employer-provider.

P193. At least every three months you must:

193.1 have collected the matching co-investment from employers

193.2 report the cash value on the ILR of total employer contributions received from the beginning of the apprenticeship to the end of the quarter on the ILR in June, September, December and March

P194. The employer co-investment must be a transfer of funding visible in your financial systems. This will typically be in the form of a provider invoice and corresponding employer payment.

### **Qualifying days for funding**

P195. To qualify for any funds (including learning support) from an employer's apprenticeship service account or government-employer co-investment, the apprentice must be in learning for a minimum of 42 days between the learning start date and learning planned end-date (which for standards is called the final day in legislation).

P196. Where funding is paid for an apprentice who does not subsequently meet the qualifying period, we will recover the funding from you.

### **State aid**

P197. Providers who receive funds from, and funds in, an employer's apprenticeship service account and government top-ups to funds in the apprenticeship service account, government-employer co-investment and additional payments, do not fall within the scope of state aid control from 1 May 2017 to 31 July 2018.

P198. Receipt of the AGE grant by employers and the waiving of the employer contribution for small employers, (see Annex E) are subject to state aid regulations.

P199. Transfers of funds are subject to state aid regulations. For any transfer an employer receives, 10% of the transferred funds will count towards their de minimis state aid limit.

P200. You must ensure the employer completes a state aid declaration for funding they receive. You are responsible for retaining a copy of this declaration in the evidence pack. If the employer exceeds their state aid limit, you can contact us about how to continue funding the apprenticeship.

### **Recovery of funds**

P201. We will review and monitor whether the training you provide represents good value for money. If we consider that the funds in an employer's apprenticeship service account or government-employer co-investment we have provided is significantly

more than the cost of the education and training, we may reduce the amount of funding we pay you after consulting with you.

- P202. We may take action including the recovery of all or part of the government funding from you if we are satisfied that there has been a breach of the funding rules. This includes where claims are made for funding through the employer's apprenticeship service account, government co-investment or additional payments to which you and/or the employer is not entitled.

## **Apprenticeships funded by transfers of levy funds**

**Transfers functionality is still being developed. As a result, the rules in this section and the rules for employers may be subject to change.**

### **Introduction for providers**

- P203. From April 2018, levy-paying employers will be able to transfer up to 10% of their levy funds, which were declared for the previous tax year to other employers, including apprenticeship training agencies (ATAs). The 10% transfer allowance is calculated on declared levy multiplied by English percentage, along with the 10% automatic top up from Government. This allowance is recalculated every tax year.
- P204. Employers receiving transferred funds will only be able to use them to pay for training and assessment for apprenticeship standards, for new starts from 1 May 2018. Employers will not be able to use transferred funds to pay for training and assessment for apprenticeship frameworks, or apprentices that started before 1 May 2018.
- P205. Where receiving employers fund apprenticeships with transferred funds they are treated as levy-paying employers. This is set out in their [employer agreement](#).

### **Delivering apprenticeship training to receiving employers**

- P206. If you are a training provider who is also a levy-paying employer, you must not deliver training to apprentices you are funding through a transfer. This includes where you are acting as a main provider or a sub-contractor.
- P207. You must ensure the receiving employer is aware of the requirement to follow the [apprenticeship funding rules for employers](#) for all of their apprenticeships funded by a transfer.
- P208. You must agree the details of the apprenticeship with the receiving employer on the apprenticeship service.
- P209. You must fully explain to the receiving employer the requirement to pay co-investment if the full cost of the apprenticeship cannot be met with a transfer or from the employer's apprenticeship service account. You must arrange to collect co-investment as set out in the co-investment section.

- P210. You are responsible for confirming that a receiving employer has arranged a transfer to fund their apprenticeship from the outset. Only apprenticeships that are funded by either levy funds or a transfer should be entered on the apprenticeship service. You must not approve any apprenticeships on the service which are not eligible for either funding method.
- P211. Non-levy paying employers may have apprentices funded by both transfers and government-employer co-investment. If you do not have a contract with us to deliver training to non-levy employers, you are only eligible to deliver training to these employers where it is funded by a transfer.
- P212. You must not agree a commitment on the apprenticeship service where the apprenticeship would be eligible for support for small employers. Funding for these apprenticeships must be claimed as set out in the 'support for small employers' section.

## Delivering the apprenticeship

### The commitment statement between the employer, apprentice and main provider

- P213. Before the apprenticeship starts you must ensure that the apprentice and their employer have contributed to and signed a copy of the commitment statement (formerly known as the individual learning plan). This should set out how all three parties (apprentice, employer, training provider) will support the achievement of the apprenticeship. All three parties must keep a current signed and dated version. This must be retained with, or in, the written agreement between the employer and main provider, which must be the contract for services between the provider and employer where funded from an employer's apprenticeship service account.
- P214. The commitment statement must set out:
- 214.1 the planned content and schedule for eligible training (including end-point assessment if they are undertaking a standard)
  - 214.2 what is expected from, and offered by the employer, main provider (and any delivery subcontractors), and the apprentice to achieve the apprenticeship
  - 214.3 provide a short summary, typically no longer than two to three pages, and must include the following as a minimum:
    - 214.3.1 details of the apprenticeship, including start and end-dates for the apprenticeship training and (where applicable) end-point assessment and key milestones for mandatory or other qualification achievements
    - 214.3.2 details on which elements are eligible for funding from the employer's apprenticeship service account or government-employer co-investment and necessary to meet any end-point assessment, those which are extra and not eligible for co-investment but will be fully funded by the employer, and those

fully funded by the ESFA including English and maths

- 214.3.3 a list of all organisations delivering the training including English and maths and the end-point assessment organisation (where applicable). (We recognise that in the early months of the new funding system, not all end-point assessment organisations will be known at the start of the apprenticeship. The commitment statement must be updated to include these details as soon as they have been confirmed)
- 214.3.4 roles and responsibilities for the employer, provider, and apprentice and arrangements for how the three parties will work together. This must include contact details and the expected commitment from each party to ensure the smooth running and day-to-day delivery of the apprenticeship, including, for example:
- for the apprentice: attendance and study time
  - for the employer: commitment to wages and time off to study in the working day
  - for the provider: support and guidance available and how to access this
- 214.3.5 the process for resolving any queries or complaints regarding the apprenticeship, including quality; this must include details of the escalation route within the main provider's own organisation and the escalation process to the ESFA through the apprenticeship helpline

## Data protection

- P215. Training providers must comply with their obligations under data protection legislation, in particular any notification requirements and the duty to appoint a data protection officer.
- P216. Data protection legislation means (i) the Data Protection Act 1998 and, for the periods when they are in force, (ii) the General Data Protection Regulation (Regulation (EU) 2016/679) and the Law Enforcement Directive (Directive (EU) 2016/680) and any applicable national implementing laws as amended from time to time, and (iii) the Data Protection Act 2018 (subject to royal assent)."

## Starting, participating, completing, and leaving

- P217. You must offer the employer the option of using the [recruit an apprentice](#) service for all new recruits.
- 217.1 where you advertise on behalf of the employer you must make it clear in the advert how many hours will be expected and this must meet the minimum duration requirements (see paragraphs P44 to P59)

P218. You must:

- 218.1 have evidence that learning took place and that the apprentice was not certificated for prior knowledge
- 218.2 retain evidence that the apprentice has completed their apprenticeship
- 218.3 where applicable, apply for, and give, apprentices certificates from awarding organisations for achieving a learning aim, and evidence this in the evidence pack
- 218.4 report and accurately complete all ILR fields for an apprentice
- 218.5 give accurate unique learner number (ULN) information to the apprenticeship service, awarding organisations and (where required) end-point assessment organisations and ensure all information used to register apprentices is correct

P219. If an apprentice leaves without completing their apprenticeship, the last date of learning, including the apprenticeship programme learning aim, is the date you have evidence the apprentice was still in learning for any learning that is part of their apprenticeship.

P220. Apprentices who start their programme before 1 May 2017 must not be withdrawn and re-started onto the same apprenticeship, or another apprenticeship at the same level in a similar subject after 1 May 2017 solely to enable them to be funded by the new funding system. If the apprentice was on a break in learning, they can enrol on a new apprenticeship in the new funding system if it is in their best interests. We will monitor any breaks in learning during this period to identify any abuse of this exception.

## **Certification**

P221. For frameworks, you must apply for the apprenticeship completion certificate from [Apprenticeship Certificates England](#) within three months of completion of learning.

P222. For standards, the end-point assessment organisation is responsible for claiming the apprenticeship completion certificate from the ESFA.

## **Changes to the apprenticeship, main provider or employer**

P223. If any circumstances change that affect any agreement made between you and the employer, you must revise existing agreements or create new agreements. This includes but is not limited to:

- 223.1 changes to price
- 223.2 changes to the apprentice's eligibility

- 223.3 any updates required to the employer's apprenticeship service account
  - 223.4 changes to the apprentice's contract or working pattern
  - 223.5 changes to the apprenticeship duration
- P224. We will monitor take-up of additional payments and unusual patterns of activity to identify any potential fraud or gaming.
- P225. The apprentice may take a break in learning where they plan to return and this is agreed with the employer. This could include medical treatment, parental (beyond a person's lawful entitlement to parental and maternity leave), or personal reasons. Annual leave, public holidays and short-term absences must not be recorded as breaks in learning.
- P226. We will stop making payments from funds in an employer's apprenticeship service account or government-employer co-investment if an apprentice has a break in learning.
- P227. If an apprentice is on a break in learning when an additional payment is due, the payment will be delayed until the apprentice resumes their apprenticeship and has reached an overall total of 90 or 365 days in learning.
- P228. Throughout the apprenticeship any changes of employer or provider, as well as breaks in learning must be reported to us. You must account for these changes and ensure the minimum duration rules (see paragraphs P44 to P59) are met.
- P229. You can find detailed information on how changes of circumstances affect how funding is calculated in the [apprenticeship technical funding guide](#) for starts from 1 May 2017.
- P230. Please refer to the [ILR guidance](#) for details of how to record these changes in circumstance on the ILR which you can find on our website. We will update this guidance as new changes of circumstance arise. If you need any further advice, please contact us.

## **Redundancy**

- P231. Where an apprentice is made redundant, you must:
- 231.1 make reasonable efforts to find the apprentice a new employer
  - 231.2 record the change in employment status in the ILR
  - 231.3 record apprentices more than six months from the final day of their apprenticeship as having left their apprenticeship if a new employer is not found within 12 weeks of their becoming redundant
- P232. Apprentices who are made redundant within six months of the final day of the practical period specified in the [apprenticeship agreement](#) may continue their apprenticeship training without being employed under an apprenticeship agreement (see paragraph P72). In these circumstances:

- 232.1 you can continue to deliver the apprenticeship's training as long as all the remaining elements and, for apprenticeship standards, the end-point assessment, can be successfully delivered
- 232.2 we will fund 100% of the remaining costs of the price negotiated between you and the employer up to the funding band maximum
- 232.3 you must support the apprentice through to the end of the apprenticeship, including any assessment
- 232.4 you must have evidence that you have made reasonable efforts to find the apprentice a new employer
- 232.5 if the apprentice finds a new employer where they can complete their apprenticeship then the new employer assumes all outstanding liabilities and benefits from that point: you should negotiate a new price, if required, with the new employer and input this on the ILR
- 232.6 if the apprentice takes a job with an employer which is not related to their apprenticeship, we will continue to fund them as per paragraph P232.2

P233. Apprentices who are made redundant more than six months before their final day may continue their apprenticeship training without being employed under an apprenticeship agreement (see paragraph P72). In these circumstances:

- 233.1 you can continue to deliver the apprenticeship's training
- 233.2 we will fund the remaining costs of the price agreed between you and the employer for 12 weeks, while the apprentice seeks another employer
- 233.3 you must have evidence that you have made reasonable efforts to find the apprentice a new employer
- 233.4 if the apprentice finds a new employer where they can complete their apprenticeship then the new employer assumes all outstanding liabilities and benefits from that point: you should negotiate a new price, if required, with the new employer and input this on the ILR
- 233.5 if the apprentice takes a job with an employer which is not related to their apprenticeship, we will continue to fund them as per paragraphs P233.2

### **Where training or assessment stops**

P234. Where a change of circumstance means that training and/or assessment is no longer being delivered, no further funds from an employer's apprenticeship service account, government-employer co-investment or additional payments will be made.

P235. In these circumstances you must agree with the employer the cost of the training and, where applicable, the end-point assessment delivered to date. You must ensure the employer has paid any mandatory co-investment due for any training or end-point assessment already delivered.

P236. When a change of circumstance results in over-payment of funds from an employer's



apprenticeship service account or government-employer co-investment, any over-payment must be repaid by you. You must follow the arrangements set out in your agreement with the employer for any over-payment by the employer.

- P237. You must agree with the employer any reimbursement for employer co-investment made for learning paid for, but not undertaken; or learning delivered, but not yet paid up to the employee's leave date, or the date of their break in learning, as needed.
- P238. If any change of circumstances is not included above, you should seek advice from us about what action you should take. Please email [SDE.servicedesk@education.gov.uk](mailto:SDE.servicedesk@education.gov.uk)

## Summary of action following change in employer, apprentice, or provider circumstances

	Scenario	Action to take	What happens to training costs, apprenticeship duration and the funding cap?	What happens to additional payments?
1	Change in price where the employer negotiates a revised training or assessment cost, or assessment cost is added after start of programme	<p>The new price is agreed by both parties. This price is entered on the employer's apprenticeship service account.</p> <p>Where the apprenticeship is funded by a transfer, you, the sending and receiving employers will need to agree the new price in the apprenticeship service.</p>	<p>After applying the funding band limit, we will hold 20% of the new total price back as the completion payment and deduct any funding already received. The remainder will be spread equally over the remaining planned duration.</p>	<p>No changes to additional payments.</p>
2	Break in learning where the apprentice requires a break in their apprenticeship, for example illness, maternity or other personal reason	<p>The employer must notify the provider that the apprentice will be absent for a period of time.</p> <p>The employer can stop payments through their apprenticeship service account.</p> <p>If the employer has stopped funding through their apprenticeship service account, then you will need them to re-activate the apprenticeship in their apprenticeship service account when the apprentice returns to learning.</p> <p>The provider records the break and restart date in the ILR. When the apprentice resumes learning, the</p>	<p>Funding from an employer's apprenticeship service account or government co-investment stops until apprentice resumes their apprenticeship.</p> <p>Funding is capped across both periods of learning so that the overall earnings do not exceed the funding band maximum.</p> <p>Funding will recommence based on the new start date in the ILR.</p>	<p>All additional payments stop until apprentice resumes their apprenticeship. Any additional payments already made are retained.</p>

	Scenario	Action to take	What happens to training costs, apprenticeship duration and the funding cap?	What happens to additional payments?
		employer and provider should agree a revised price which must be entered on the new programme aim in the ILR. If a different price had earlier been entered on the employer's apprenticeship service account, the revised price must also be entered here, on or before the new start date.		
3	<p>The apprentice withdraws from the apprenticeship where the apprentice is no longer employed by the employer and has withdrawn from their programme (not redundancy).</p> <p>Or</p> <p>The apprentice chooses to withdraw prior to completion but remains with the same employer.</p>	<p>The employer must notify the provider that the apprentice has left.</p> <p>The employer can stop payments through their apprenticeship service account. This includes where the apprenticeship is funded by a transfer.</p> <p>The provider records the end date on the ILR.</p>	<p>Funding from an employer's apprenticeship service account or government co-investment stops.</p> <p>The employer co-investment should be reconciled to the date of withdrawal and a balancing payment will be made.</p>	All additional payments stop until apprentice resumes their apprenticeship. Any additional payments already made are retained.
4	Change in course where the apprentice starts a new role with the same employer and requires a	The employer and provider agree a new price for training and assessment for the new apprenticeship, taking into account relevant learning from	<p>Funding from an employer's apprenticeship service account or government co-investment for the first programme stops.</p> <p>Any employer co-investment</p>	Additional payments are received once for each apprenticeship.

	Scenario	Action to take	What happens to training costs, apprenticeship duration and the funding cap?	What happens to additional payments?
	different apprenticeship programme and the provider remains the same	<p>the first apprenticeship.</p> <p>The details of the new programme, price and effective date is entered on the apprenticeship service account</p> <p>Where the apprenticeship is funded by a transfer, you, the sending and receiving employers will need to agree the new apprenticeship in the apprenticeship service.</p>	<p>for the first programme should be reconciled to the date of transfer and a balancing payment will be made.</p> <p>Funding from an employer's apprenticeship service account or government co-investment for the second programme is made for the new programme.</p> <p>Each programme price is capped separately.</p>	
5	The employer selects a different main provider where the course remains the same.	<p>The end date for the first provider is recorded in the apprenticeship service account.</p> <p>The employer agrees a new price with the new main provider. The funding rules on agreeing a price will apply.</p> <p>The new provider, price and effective date is recorded and agreed by both parties in the apprenticeship service account.</p> <p>Where the apprenticeship is funded by a transfer, you, the sending and receiving employers will need to agree the new apprenticeship in</p>	<p>Funding from an employer's apprenticeship service account or government co-investment to the first provider stops.</p> <p>Payments due to the first provider are reconciled. Funding from an employer's apprenticeship service account or government co-investment for the second programme is made to the new provider.</p> <p>The funding band cap and minimum duration will apply to the total cost across both providers.</p>	<p>Employer continues to receive additional payments.</p> <p>Provider retains any additional payments already made.</p> <p>Any remaining provider additional payments not paid to the original provider can be paid to the new provider.</p> <p>The number of days in learning with the first provider are added to the days in learning with the new provider to calculate when</p>

	Scenario	Action to take	What happens to training costs, apprenticeship duration and the funding cap?	What happens to additional payments?
		the apprenticeship service.		payments are due.
6	The apprentice changes employer but continues the same apprenticeship with the same provider	<p>Where the apprentice is funded by the first employer the employer can stop payments through their apprenticeship service account.</p> <p>Where the apprentice is not funded from a apprenticeship service account, co-investment stops.</p> <p>The new employer agrees a price with the provider for the remainder of the apprenticeship training and assessment taking into account relevant learning from the first employer. This price should be recorded in the ILR as a 'residual' price.</p> <p>Where the apprentice will be funded by the second employer's apprenticeship service account, the second employer registers the apprentice and funding starts.</p> <p>Where the apprentice will not be funded from an apprenticeship</p>	<p>Funding from the first employer's apprenticeship service account stops.</p> <p>Any employer co-investment due from the first employer should be reconciled.</p> <p>Funding continues based on agreement with the new employer using the funds in their apprenticeship service accounts or government co-investment.</p> <p>The funding band cap will apply to the total cost across both employers.</p>	<p>Additional payments stop for the first employer but they retain any payments already made.</p> <p>The number of days in learning with the first employer are added to the days in learning with the new employer to calculate when payments are due.</p> <p>Provider additional payments remain unchanged.</p> <p>The small employer co-investment waiver will stop if the second employer is not eligible.</p> <p>For the 16 to 18 Framework Uplift we will keep a history of amounts earned so far, and spread the remainder over</p>

	Scenario	Action to take	What happens to training costs, apprenticeship duration and the funding cap?	What happens to additional payments?
		<p>service account, co-investment starts.</p> <p>Providers must not draw down funds in an employer's apprenticeship service account or government co-investment for delivery which the ESFA has already paid for with the first employer.</p> <p>Where the apprenticeship is funded by a transfer it will stop.</p>		<p>the planned length, with 20% of the new total cost held back for completion.</p>
7	<p>Redundancy – with more than 6 months of apprenticeship remaining</p>	<p>The employer stops payments from their apprenticeship service account.</p> <p>The provider supports the apprentice to find a new job (within 12 weeks).</p> <p>Providers should refer to scenario 6 when a new employer is found.</p> <p>Where the apprenticeship is funded by a transfer, the transfer will stop.</p>	<p>Funding from the employer's apprenticeship service account stops.</p> <p>Any employer co-investment due from the first employer should be reconciled to the date of redundancy and any differences in employer co-investment received to those due should be repaid to the employer or training provider.</p> <p>The apprentice is funded through 100% government co-investment for up to 12 weeks.</p>	<p>Employer additional payments stop.</p> <p>Provider additional payments remain unchanged.</p>

8	Redundancy – within 6 months of final day of apprenticeship	<p>The employer stops payments from their apprenticeship service account.</p> <p>The provider supports the apprentice to find a new job if possible.</p> <p>The provider should refer to scenario 6 above when a new employer is found.</p> <p>Where the apprenticeship is funded by a transfer, the transfer will stop.</p>	<p>Funding from the employer’s apprenticeship service account stops.</p> <p>Any employer co-investment due from the first employer should be reconciled to the date of redundancy and any differences in employer co-investment received to those due should be repaid to the employer or training provider.</p> <p>The apprentice is funded through 100% government co-investment for the remainder of the programme up to the funding band maximum; or until a suitable new employer is found and a new price negotiated.</p>	<p>Employer additional payments stop.</p> <p>Provider additional payments remain unchanged.</p>
---	---	--	---	---

# Evidence requirements

## Evidence pack

- P239. The evidence pack must contain evidence to support the funding claimed and must be available to us if we need it.
- P240. Evidence in the evidence pack must assure us that the apprentice exists.
- P241. The apprentice and/or employer must confirm the information they provide is correct when it is collected. You must have evidence of this, which can include electronic formats.
- P242. Where information is held centrally, you only need to refer to the source.
- P243. The evidence pack must include the following:
- 243.1 details of the cost negotiated by the employer and provider. By details we mean that it should be clear that only eligible costs have been included in the price.
  - 243.2 details of how the 20% 'off-the-job' training, excluding English and maths, will be quantified and delivered. By details we mean a plan of delivery and evidence of delivery taking place against that plan
  - 243.3 details of how English and maths will be delivered. By details we mean a plan of delivery and evidence of delivery taking place against that plan
  - 243.4 details of employment including the name of the employer and the agreed contracted hours of employment, including paid training and 20% 'off-the-job' time, and the total planned length of the apprenticeship
  - 243.5 written confirmation from the employer that the apprentice will be allowed to complete the apprenticeship within their working hours including any English and maths required
  - 243.6 a signed and dated written agreement between you and the employer, updated as required, which must be the contract for services between the provider and employer where funded from an employer's apprenticeship service account
  - 243.7 the commitment statement signed and dated by the apprentice, employer, and main provider
  - 243.8 copies of any state aid declarations for the AGE grant, receipt of transferred levy funds and waiving of the employer contribution for small employers
  - 243.9 confirmation of eligibility for where the employer contribution is waived including evidence from the employer that they had an average of 49 or fewer employees with a contract of service in the 365 days before the apprentice was recruited



- 243.10 evidence that the apprentice will spend at least 50% of their working hours in England over the duration of the apprenticeship including time spent on off-the-job training. Where the business footprint is larger than England this could include a roster for a typical month for the apprentice along with written confirmation from the employer
- 243.11 a copy of the [apprenticeship agreement](#) or confirmation that the employer has been told about their legal duty for an apprenticeship agreement
- 243.12 all information reported to us in the ILR and the [earnings adjustment statement](#) (EAS), and if it applies, the supporting evidence for the data you report
- 243.13 your assessment and evidence of eligibility for funding and a record of what evidence the apprentice has provided
- 243.14 confirmation of eligibility for any additional payments including, a signed, original declaration from the apprentice to confirm they are a care leaver, or evidence of an education, health and care plan where the apprentice is aged between 19 and 24 years old
- 243.15 the apprentice's job role, including any significant new skills required for a new role, and that they are not enrolled on another apprenticeship at the same time
- 243.16 all initial assessments for English and maths. Where the apprentice is assessed as exempt from the normal English and maths requirements you must also include:
  - 243.16.1 a copy of the authorisation by an appropriate professional, for example the head of SEN or student support
  - 243.16.2 evidence of how the apprentice's learning difficulty or disability affects their English and/or maths abilities
  - 243.16.3 the apprentice's recommended learning plan to achieve entry level 3 in English and/or maths (as appropriate)
  - 243.16.4 the apprentice's EHC plan or statement of special educational need.
- 243.17 confirmation that you have accounted for prior learning that affects the learning or the funding of any of the apprenticeship and adjusted the price accordingly. This information could include:
  - 243.17.1 information from the individual's [personal learning record](#)
  - 243.17.2 details of previous qualifications including modules/units undertaken compared to the content of the apprenticeship, demonstrating how they are materially different
  - 243.17.3 skills gap analysis, demonstrating the new skills needed by

the individual and how the apprenticeship will address these

- 243.18 a description of how you will deliver the apprenticeship and how the apprentice will achieve the standard or framework
- 243.19 the supporting evidence about why you have claimed funding and the level of funding for an apprentice, including details of any employer contribution
- 243.20 details of any support needs identified, including an assessment and how you will meet these needs
- 243.21 where ELS is being claimed for an apprentice aged 19 to 24 without an EHC plan, a letter or email from the apprentice's local authority stating the reason(s) why the individual does not need an EHC plan
- 243.22 confirmation that learning has taken place and that records are available
- 243.23 all records and evidence of completion. This must be available within three months of you reporting it in the ILR
- 243.24 details of any subcontractor, clearly identifying who they are. This must match the information reported to us in the ILR
- 243.25 details of any end-point assessment organisation (where applicable), clearly identifying who they are
- 243.26 evidence that the apprenticeship leads to substantive new skills and that the learning is materially different where the apprenticeship is at the same level as, or lower level than, prior qualifications. This evidence could include the following:
  - 243.26.1 information from the individual's personal learning record
  - 243.26.2 details of previous qualifications including modules/units undertaken compared to the content of the apprenticeship, demonstrating how they are materially different
  - 243.26.3 skills gap analysis, demonstrating the new skills needed by the individual and how the apprenticeship will address these
- 243.27 any relevant experience and achievements, both inside and outside their current working role
- 243.28 the learning and skills they have to carry out while on their apprenticeship, outside of identified qualifications

### **Confirmation and signatures**

- P244. Where evidence is electronic, you must have wider systems and processes in place to assure you that apprentices exist and are eligible for funds.

P245. You must keep effective and reliable evidence. You are responsible for making the evidence you hold easily available to us when we need it.

### **Individualised learner record (ILR)**

P246. You must accurately complete all ILR fields as required in the [ILR specification](#), even if they are not used for funding. Where your data does not support the funding you have claimed, we will take action to get this corrected and could recover funds.

P247. The ILR must accurately reflect what has happened. You must not report inaccurate information even where you perceive that this would result in a more equitable claim for funding or accurate record of performance.

### **Self-declarations**

P248. Where a self-declaration is needed, this must state the apprentice or employer's details and describe what is being confirmed.

P249. If an apprentice self-declares prior attainment, you must check this in the personal learning record and query any contradictory information with the apprentice. The PLR will not necessarily override the apprentice's self-declaration. In the event of a missing or incorrect qualification you should refer to the [learner registration bodies \(LRB\) user guide](#).

## Annex A: Exceptional eligibility criteria (who we fund)

### Exceptional eligibility status

(Please read this together with paragraphs P60 to P72)

- P250. Where an individual or relevant family member has applied for an extension to, or variation of, their current immigration permission in the UK they will be treated as if they have that leave. This only applies if the application was made before their current permission expired. Their leave continues until the Home Office make a decision on their immigration application.
- P251. An individual or relevant family member, is considered to have the immigration permission that they held when they made their application for an extension, and their eligibility would be based upon this status.
- P252. Any individual with any of the statuses listed below, is eligible to receive funding and are exempt from the three-year residency requirement rule. You must have seen the individual's immigration permission in these circumstances.
- 252.1 Refugee status
  - 252.2 Discretionary leave to enter or remain
  - 252.3 Exceptional leave to enter or remain
  - 252.4 Indefinite leave to enter or remain
  - 252.5 Humanitarian protection
  - 252.6 Leave outside the rules
  - 252.7 The husband, wife, civil partner and child of any of the above in this paragraph (that is P252.1 to P252.6)
- P253. The individual's immigration permission in the UK may have a 'No recourse to public funds' condition. This does not include education or education funding, so this does not affect an individual's eligibility, which must be decided under the normal eligibility conditions.
- P254. Asylum seekers are eligible to receive funding if:
- 254.1 they have lived in the UK for six months or longer while their claim is being considered by the Home Office, and no decision on their claim has been made
  - 254.2 or they are in the care of the local authority and are receiving local authority support under section 23C or section 23CA of the Children Act 1989 or section 21 of the National Assistance Act 1948
- P255. An individual who has been refused asylum will be eligible if:
- 255.1 they have appealed against a decision made by the UK government

against granting refugee status and no decision has been made within six months of lodging the appeal

255.2 or they are granted support for themselves under section 4 of the Immigration and Asylum Act 1999

255.3 or they are in the care of a local authority and are receiving local authority support for themselves under section 23C or section 23CA of the Children Act 1989

P256. In the explanations below, the 'principal' is the European Union (EU) or EEA national. The 'family' or 'family member' is the apprentice, and must be the husband, wife, civil partner, child, grandchild, dependent parent or grandparent of the 'principal'.

P257. If the individual, who is a family member of an EEA national, has been ordinarily resident in the EEA for the three years prior to the start of their course, they are eligible for funding.

P258. This table shows the eligibility for family members if:

258.1 the family member is now ordinarily resident in England, but has not been ordinarily resident in the EEA for at least the previous three years before the start of learning

258.2 and a principal has been resident within the EEA for the last three years

		Principal ordinarily resident in the EEA for three years		
		EU (including UK) citizen	Non-EU EEA citizen	Non-EEA citizen
Family member not ordinarily resident in the EEA for three years	EU (including UK) citizen	Eligible	Eligible	Not eligible
	Non-EU EEA citizen	Eligible	Not eligible	Not eligible
	Non-EEA citizen	Eligible	Not eligible	Not eligible

P259. A child of a Turkish worker is eligible if all of the following apply.

259.1 The Turkish worker is ordinarily resident in the UK.

259.2 The Turkish worker is, or has been, lawfully employed in the UK.

259.3 The child has been ordinarily resident in the EEA and/or Turkey for the full three-year period before the start of their programme.

P260. 16- to 18-year-olds are eligible to be funded for an apprenticeship if any of the following clauses apply.

- 260.1 They are accompanying or joining parents who have the right of abode, leave to enter or leave to remain in the UK (or accompanying or joining parents who are EEA nationals).
  - 260.2 They are the children of diplomats.
  - 260.3 They are the children of teachers coming to the UK on a teacher exchange scheme.
  - 260.4 They are entering the UK (where not accompanied by their parents) and are British (or EEA) citizens.
  - 260.5 They have a passport that has been endorsed to either show they have the right of abode in the United Kingdom or to show that they have no restrictions on working in the UK.
  - 260.6 They are an asylum seeker.
  - 260.7 They are placed in the care of the local authority.
  - 260.8 They meet the requirements for any other eligible category in this document.
- P261. You can find further information on eligibility from the UK Council for International Student Affairs (UKCISA).

### **Countries or areas where residency establishes eligibility for our funding**

- P262. You can access a list of European Union (EU) member states on the EU website.
- P263. Other territories are categorised as being within the European Union for the purposes of the fees regulations; these are as follows.
- 263.1 Cyprus: any Cypriot national living on any part of the island qualifies for EU residency and is considered an EU national
  - 263.2 Finland: includes the Aland Islands
  - 263.3 France: the French Overseas Department (DOMS) (Guadeloupe, Martinique, French Guiana (Guyana), Reunion and Saint-Pierre et Miquelon) as part of metropolitan France
  - 263.4 Germany: includes the former German Democratic Republic and the tax-free port of Heligoland
  - 263.5 Portugal: includes Madeira and the Azores but not Macau
  - 263.6 Spain: includes the Balearic Islands, the Canary Islands, Ceuta and Melilla

263.7 United Kingdom: includes Gibraltar

263.7.1 To note: The Channel Islands and Isle of Man are part of the United Kingdom and Islands but not part of the EU. The Channel Islands and Isle of Man are not classed as part of England for apprenticeship funding purposes.

P264. Andorra, Monaco, San Marino and the Vatican are not part of the EU.

P265. For funding eligibility purposes, EEA and eligible overseas dependent territories is defined as all member states of the EU and Iceland, Liechtenstein, Switzerland, Norway and all the eligible British Overseas Territories and EU overseas territories (listed in paragraph P267 below).

P266. Although Switzerland is not part of the formally recognised EEA, its nationals are eligible under various international treaties signed by the UK and Swiss governments.

P267. Individuals who are nationals of certain British Overseas Territories and of certain European overseas territories are eligible for funding, depending on the three-year rule on residence in the EEA. These are as follows.

- 267.1 Anguilla
- 267.2 Bermuda
- 267.3 British Antarctic Territory
- 267.4 British Indian Ocean Territory
- 267.5 British Virgin Islands
- 267.6 Cayman Islands
- 267.7 Falkland Islands
- 267.8 Henderson Island
- 267.9 Montserrat
- 267.10 Pitcairn, Ducie and Oeno Islands
- 267.11 South Georgia and the South Sandwich Isles
- 267.12 St Helena and its dependencies
- 267.13 Turks and Caicos Islands
- 267.14 Greenland and Faroe Isles
- 267.15 Antilles (Bonaire, Curacao, Saba, St Eustatius and St Maarten)
- 267.16 Aruba
- 267.17 New Caledonia and its dependencies
- 267.18 French Polynesia
- 267.19 Saint Barthélemy
- 267.20 The Territory of Wallis and Futuna Islands
- 267.21 Mayotte
- 267.22 French Southern and Antarctic Territories

## Annex B: Apprenticeships performance-management rules for August 2017 to March 2019

These rules include:

- Arrangements for apprentices that started before 1 May 2017 (carry-in apprentices) and for which the 2016 to 2017 funding rules apply
- Arrangements for 3-month run-down extensions between 1 January and 31 March 2018 and for which the 2017 to 2019 funding rules apply
- Carry-in arrangements for apprentices that start between 1 May 2017 and 31 December 2017 in non-levy employers (and between 1 January and 31 March 2018 for providers with run -down allocations) and for which the 2017 to 2019 Funding Rules apply
- Arrangements that will apply to new apprenticeship starts in non-levy employers from 1 January 2018 and for which the 2017 to 2019 funding rules apply

These performance-management rules supersede previous versions.

### Generic rules that apply to all delivery

- P268. It is our intention to fund apprentices until the end of their programmes, subject to affordability, the application of the relevant funding and performance-management rules and reflecting funding previously paid by the Education and Skills Funding Agency (including the Skills Funding Agency).
- P269. We will use our approach to funding to make sure learning provision is of a high quality. We will use your track record to assess your ability to deliver education and training to the required standard. Your track record will include Ofsted grades, minimum standards of performance, financial health, financial management and control and your previous delivery against your contract.
- P270. As part of our financial assurance work, we will continue to monitor compliance with the funding rules. We will contact you where we identify you have submitted data that does not meet our funding rules and individualised learner record (ILR) requirements. You will be required to correct inaccurate ILR and [earnings adjustment statement](#) (EAS) data.
- P271. The rules in this document apply to both apprenticeship frameworks and standards. We use the generic term 'apprenticeship' for all types of apprenticeships, unless we state otherwise.
- P272. We use the term 'contractor's allocation' to mean your contract value, as set out in Appendix 1 of your contract.
- P273. You must fund the delivery of both apprenticeship frameworks and apprenticeship



standards from your 'contractor's allocation'. This includes any additional payments that you must pass to employers. You must also fund the delivery of English, maths, learning support and learner support (learner support relates to pre-May 2017 carry-in only), where applicable.

- P274. We will pay you on the basis of your actual delivery each month up to the value of your contractor's allocation for the relevant financial year. We will calculate the value of your actual delivery using the latest validated ILR and EAS data you provide.
- P275. We have no responsibility to pay any amount over your allocated funding for the funding year or financial year. If you deliver more than your contractor's allocation, you do so at your own risk.
- P276. You cannot vire funds between 16 to 18 traineeships and 16 to 18 apprenticeships.
- P277. You cannot vire funds between 16 to 18 and adult apprenticeships.
- P278. We reserve the right to increase or decrease the number of performance-management points we operate, in line with delivery against the funding available for apprenticeships and/or in line with paragraph 5.5 of the invitation to tender for the non-levy procurement.
- P279. We reserve the right to adjust your contractor's allocation if there is a risk that demand for apprenticeships may exceed the national funding available.
- P280. Allocations and performance-management decisions are subject to affordability within the available budget at the time.

## **Arrangements for apprentices that started before 1 May 2017 (carry-in apprentices)**

- P281. This section applies to apprentices that started before 1 May 2017.
- P282. If you have an existing contract for the 2016 to 2017 funding year, it has been extended for the 2017 to 2018 funding year (1 August 2017 to 31 July 2018) to fund apprentices that started before 1 May 2017.
- P283. This contract is separate from a contract you may receive if you submit a tender for and are successful in the new non-levy procurement exercise launched in July 2017.
- P284. Your contractor's allocation reflects delivery to both levy and non-levy paying employers before 1 May 2017.
- P285. Your existing contract will identify your contractor's allocation for apprentices that started before 1 May 2017. It will state the maximum amount you can deliver for:
  - 285.1 16 to 18 apprenticeships from 1 August 2017 to 31 July 2018
  - 285.2 Adult apprenticeships from 1 August 2017 to 31 July 2018
- P286. Your contract spans two financial years:

- 286.1 August 2017 to March 2018: periods 1 to 8 of the 2017 to 2018 funding year
- 286.2 April 2018 to July 2018: periods 9 to 12 of the 2017 to 2018 funding year
- P287. You must continue to provide learner support to apprentices from your contractor's allocation.
- P288. It is our intention to fund apprentices until the end of their programmes, subject to affordability, the application of the relevant funding and performance-management rules and reflecting funding previously paid by the Education and Skills Funding Agency (including the Skills Funding Agency). This includes learners that have not completed their apprenticeship by 31 July 2018 for which an allocation will be made in Summer 2018.
- P289. At the performance-management points in October 2017, May 2018 and November 2018 we will review whether your carry-in costs exceed your contractor's allocation. We will consider funding any over-delivery you incur, reflecting funding previously paid by the Education and Skills Funding Agency (including the Skills Funding Agency) as well as being subject to affordability and the application of the relevant funding and performance-management rules.
- P290. At the same performance-management points, we will reduce your apprenticeship contractor's allocation where we have evidence that the value you need to fully fund your carry-in learners has reduced. We will work these reductions out by recalculating your allocation based on your latest data returns at these points (Table 1 of Annex D).
- P291. We will apply this reduction unless:
- 291.1 you demonstrate that you were impacted by data issues that were outside of your control
- 291.2 it is less than £25,000.

## **Arrangements for 1 January to 31 March run-down extensions**

- P292. This section applies for the period 1 January to 31 March 2018 for existing providers that have been offered a 3-month run-down allocation as a result of bidding and being unsuccessful in the non-levy procurement.
- P293. Your existing contract for the 2016 to 2017 funding year has been extended to fund new non-levy apprenticeship starts between 1 January and 31 March 2018.
- P294. Your existing contract will identify your contractor's allocation for new starts. It will state the maximum amount of apprenticeship provision you can deliver to non-levy-paying employers for:
- 294.1 16 to 18 apprenticeships from 1 January and 31 March 2018
- 294.2 adult apprenticeships from 1 January and 31 March 2018

- P295. We will not increase this allocation during the extension period or pay for any over-delivery, or the associated and subsequent carry-in costs. We will only fund delivery up to your contract value.
- P296. We have set up a new learning delivery monitoring (LDM) code for you to record new starts between 1 January 2018 and 31 March 2018. You must use LDM code 358 to record delivery under your run-down allocation. Please refer to the [ILR specification](#) for more information about using LDM codes.
- P297. It is our intention to fund apprentices until the end of their programmes, subject to affordability, the application of the relevant funding and performance-management rules and reflecting funding previously paid by the Education and Skills Funding Agency (including the Skills Funding Agency). This includes apprentices you start on your run-down allocation for which an allocation will be made in April 2018 using your March 2018 data.
- P298. From 1 April 2018, the carry-in arrangements for apprentices that start between 1 May 2017 and 31 December 2017 in non-levy employers (and between 1 January and 31 March 2018 for providers with run-down allocations) section of these rules will apply for any learners you take on during your extension period.

### **Carry-in arrangements for apprentices that start between 1 May 2017 and 31 December 2017 in non-levy employers (and between 1 January and 31 March 2018 for providers with run-down allocations)**

- P299. This section applies from 1 January 2018 for learners that started with non-levy employers between 1 May and 31 December 2017 and from 1 April 2018 for learners that started between 1 January and 31 March 2018 for providers with run-down allocations.
- P300. We have revised your 2017 to 2018 non-levy (non-procured) allocation to ensure you have funding available to meet the ongoing costs of learners that started between 1 May 2017 and 31 December 2017 in non-levy employers (and between 1 January and 31 March 2018 for providers with run-down allocations).
- P301. Your contractor's allocation reflects delivery to non-levy paying employers between 1 May 2017 and 31 December 2017 (and between 1 January and 31 March 2018 for providers with run down allocations).
- P302. This contract is separate from a contract you may receive if you submitted a tender for and were successful in the new non-levy procurement exercise launched in July 2017.
- P303. Your existing contract will identify your contractor's allocation for apprentices that started between 1 May and 31 December 2017 (and between 1 January and 31 March 2018 for providers with run down allocations).

- P304. It will state the maximum amount you can deliver for:
- 304.1 16 to 18 apprenticeships from 1 August 2017 to 31 July 2018
  - 304.2 Adult apprenticeships from 1 August 2017 to 31 July 2018
- P305. Your contract spans two financial years:
- 305.1 August 2017 to March 2018: periods 1 to 8 of the 2017 to 2018 funding year
  - 305.2 April 2018 to July 2018: periods 9 to 12 of the 2017 to 2018 funding year
- P306. In March 2018 and at the performance-management points in July and November 2018, we will review whether your carry-in costs exceed your contractor's allocation. We will consider funding any over-delivery you incur, reflecting funding previously paid by the Education and Skills Funding Agency (including the Skills Funding Agency) as well as being subject to affordability and the application of the relevant funding and performance-management rules.
- P307. For providers that had a 3-month run-down allocation for 1 January to 31 March 2018, we will not pay for the associated and subsequent carry-in costs of any over-delivery during your extension period.
- P308. At the same performance-management points, we will reduce your apprenticeship contractor's allocation where we have evidence that the value you need to fully fund your carry-in learners has reduced. We will work these reductions out by recalculating your allocation based on your latest data returns at these points (table 2 of annex D).
- P309. We will apply this reduction unless:
- 309.1 you demonstrate that you were impacted by data issues that were outside of your control
  - 309.2 it is less than £25,000.
- P310. It is our intention to fund apprentices until the end of their programmes, subject to affordability, the application of the relevant funding and performance-management rules and reflecting funding previously paid by the Education and Skills Funding Agency (including the Skills Funding Agency). This includes learners that have not completed their apprenticeship by 31 July 2018 for which an allocation will be made in Summer 2018.

## **Arrangements for apprentices that start on or after 1 January 2018**

- P311. This section of the rules applies to new apprenticeship starts between 1 January 2018 to 31 March 2019. You will only have a contract to fund new starts if you submit a tender for and are successful in securing a contract in the non-levy procurement.

- P312. The rules apply to providers on the main route of the [register of apprenticeship training providers](#) delivering apprenticeships to non-levy paying employers.
- P313. Your contract will identify your contractor's allocation for new starts. It will state the maximum amount of apprenticeship provision you can deliver to non-levy paying employers for:
- 313.1 16 to 18 apprenticeships from 1 January 2018 to 31 March 2019
  - 313.2 adult apprenticeships from 1 January 2018 to 31 March 2019.
- P314. Your contract spans two financial years and two funding years:
- 314.1 January 2018 to March 2018 in the 2017 to 2018 funding year
  - 314.2 April 2018 to March 2019 in the 2017 to 2018 and the 2018 to 2019 funding year.
- P315. We will allocate funds beyond March 2019 so that that apprentices that start their programmes between 1 January 2018 and 31 March 2019 can be funded until the end of their programmes. These allocations will reflect funding previously paid by the Education and Skills Funding Agency as well as being subject to affordability and the application of the relevant funding and performance-management rules.
- P316. In April 2018, we will review your performance in delivering to non-levy paying employers between January 2018 and March 2018. We will assess your delivery performance using the standard national profile (set out at Table 1 and Table 2 of Annex C). If you have delivered above the standard national profile during this period, we will consider funding your delivery. This will reflect funding previously paid by the Education and Skills Funding Agency as well as being subject to affordability and the application of the relevant funding and performance-management rules.
- P317. In March 2018, July 2018 and November 2018 we will run performance-management points to consider:
- 317.1 increasing your contractors' allocation where there is evidence of demand from non-levy paying employers that cannot be met from your existing funding
  - 317.2 reducing your contractor's allocation (performance-management points 2 and 3 only) where your performance against the standard national profile (tables 1 and 2 of annex C) for the period in question is outside our published tolerance levels. The tolerance level that we will apply are set out in table 3 of annex D.
- P318. At the performance-management points (in March 2018, July 2018 and November 2018), we will invite you to submit a growth request setting out your expected demand (a starts profile detailing when starts will be realised and the associated value) and evidence of that demand (i.e. a list of employers that have confirmed commitments linked to your starts profile). We will ask you to identify which of the 9 geographic areas set out in the invitation to tender, split by 16 to 18 and adult, your growth request relates to.

- P319. We will review this against your performance to date to form a view of how credible your plans are. We may contact you to request more information to substantiate your request.
- P320. We will consider increasing to your 16 to 18 apprenticeship and/or adult apprenticeship contractor's allocation, if funds are available and:
- 320.1 Your growth request is credible based on your delivery to date
  - 320.2 You are listed on the register of apprenticeship training providers under the main provider route
  - 320.3 You have a good track record (see paragraph P269)
  - 320.4 You can prove there is demand from employers or learners
  - 320.5 You are not under notice for failure of inspection or financial control
  - 320.6 You are not under notice for minimum standards for apprenticeships
  - 320.7 We are satisfied that the value of any funds that you would subcontract will not cause you to breach our funding rules
  - 320.8 We are confident that awarding an increase to your contractor's allocation is a good use of public funds
  - 320.9 We will also give consideration to the expiry date for the contract, after which new starts may not be recruited.
- P321. Following our assessment, if the total value of the credible growth requests we wish to support is larger than the available budget, we will look to prioritise the requests on the basis of the principles set out in paragraphs 7.5 and 7.6 of the invitation to tender. Where necessary, to achieve this we may pro rata available funding. This may mean you do not receive the full value of your growth request.
- P322. If your performance against the standard national profile (tables 1 and 2 of annex C) is outside our tolerance level, we will not agree an increase to your contractor's allocation unless we have also agreed that one or more of the criteria in paragraph P325 apply.
- P323. We will not offer additional funding for subcontracted delivery if:
- 323.1 It would take the total value of subcontracts that the subcontractor holds to deliver apprenticeship training to new starts from 1 April to 31 March each year (for the first year this is 1 May 2017 to 31 March 2018) to £500,000 or more, and
  - 323.2 The subcontractor is on the register of apprenticeship training providers via the 'supporting' provider application route.
- P324. If, at either or both performance-management points 2 and 3, we decide to reduce your contractor's allocation, following application of tolerance levels set out in Table 3 of Annex D, the reduction in your apprenticeship contractor's allocation will reflect

some or all of the value of your under-delivery to date. We will not change this approach unless there are exceptional circumstances.

P325. We will apply the reduction unless:

- 325.1 your historic delivery pattern is significantly different to the standard national profile (including where this is a result of your delivery of apprenticeship standards)
- 325.2 you demonstrate that you were impacted by data issues that were outside of your control
- 325.3 it is less than £25,000.

## Annex C: Standard national profiles

The following tables set out a 15-month profile from January 2018 (P6 of the 2017 to 2018 funding year) to March 2019 (P8 of the 2018 to 2019 funding year).

**Table 1. 16-18 apprenticeships 15-month profile**

	2017 TO 2018 FUNDING YEAR						2018 TO 2019 FUNDING YEAR								
	P6	P7	P8	P9	P10	P11	P12	P1	P2	P3	P4	P5	P6	P7	P8
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
16 to 18 apprenticeships monthly profile	0.44%	0.79%	1.12%	4.61%	4.57%	4.66%	4.76%	5.21%	7.91%	9.95%	8.69%	13.95%	12.24%	11.05%	10.03%
16 to 18 apprenticeships cumulative profile	0.44%	1.24%	2.36%	6.97%	11.54%	16.21%	20.97%	26.18%	34.09%	44.04%	52.73%	66.68%	78.92%	89.97%	100.00%

**Table 2. Adult apprenticeships 15-month profile**

	2017 TO 2018 FUNDING YEAR						2018 TO 2019 FUNDING YEAR								
	P6	P7	P8	P9	P10	P11	P12	P1	P2	P3	P4	P5	P6	P7	P8
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Adult apprenticeships monthly profile	1.07%	2.03%	3.06%	4.34%	5.05%	5.85%	6.59%	6.99%	7.76%	8.38%	8.76%	9.06%	9.99%	10.36%	10.72%
Adult apprenticeships cumulative profile	1.07%	3.10%	6.16%	10.50%	15.55%	21.40%	27.99%	34.98%	42.74%	51.11%	59.87%	68.93%	78.92%	89.28%	100.00%



## Annex D: Performance-management points

**Table 1. Apprenticeships carry-in (for apprentices that started before 1 May 2017) – points at which we will adjust contractor allocations where there is evidence that the value needed to fund carry-in learners has increased or reduced**

	<b>Performance-management point 1</b>	<b>Performance-management point 2</b>	<b>Performance-management point 3</b>
Delivery information using the latest validated ILR data you provide	5 October 2017	4 May 2018	6 November 2018
Lower threshold for contractor's allocation adjustments	£25,000	£25,000	£25,000
Providers notified of the outcome	Week commencing 30 October 2017	Week commencing 28 May 2018	Week commencing 26 November 2018

**Table 2. Apprenticeships carry-in for apprentices that started between 1 May and 31 December 2017 (and between 1 January and 31 March 2018 for providers with run-down allocations) – points at which we will adjust contractor allocations where there is evidence that the value needed to fund carry-in learners has increased or reduced**

	<b>Performance-management point 1</b>	<b>Performance-management point 2</b>
Delivery information using the latest validated ILR data you provide	5 July 2018	6 November 2018
Lower threshold for contractor's allocation adjustments	£25,000	£25,000
Providers notified of the outcome	Week commencing 30 July 2018	Week commencing 26 November 2018

**Table 3. Apprenticeships new starts from 1 January 2018 performance-management points, tolerances and minimum thresholds**

	<b>Performance-management point 1</b>	<b>Performance-management point 2</b>	<b>Performance-management point 3</b>
Growth funding that can be requested	For January 2018 to March 2019: <ul style="list-style-type: none"> <li>• Apprenticeships allocation for new starts from 1 January 2018 to 31 March 2019</li> </ul>	For January 2018 to March 2019: <ul style="list-style-type: none"> <li>• Apprenticeships allocation for new starts from 1 January 2018 to 31 March 2019</li> </ul>	For January 2018 to March 2019: <ul style="list-style-type: none"> <li>• Apprenticeships allocation for new starts from 1 January 2018 to 31 March 2019</li> </ul>
Growth form published	23 February 2018	22 June 2018	19 October 2018
Growth requests had to be received by	6 March 2018	6 July 2018	2 November 2018
Delivery information using the latest validated ILR data you provide	6 March 2018	5 July 2018	6 November 2018
Tolerance for under-delivery	N/A	8%	8%
Lower threshold for Contractor's Allocation adjustments	N/A	£25,000	£25,000
Cases for increasing or reducing Contractor's Allocation reviewed by	21 March 2018	20 July 2018	16 November 2018
Decision to approve or reject increases and reductions	Week commencing 26 March 2018	Week commencing 23 July 2018	Week commencing 19 November 2018
Providers told the outcome of our performance-management process from	Week commencing 2 April 2018	Week commencing 30 July 2018	Week commencing 26 November 2018

## Annex E: Apprenticeship grant for employers (AGE) for 16 to 24-year-olds

- P326. The [Apprenticeship Grant for Employers](#) of 16 to 24-year-olds (AGE 16 to 24) supports businesses that would not otherwise be in a position to do so, to recruit individuals aged 16 to 24 into employment through the apprenticeship programme.
- P327. AGE will continue for apprentices starting before 1 August 2017.
- P328. AGE can only be claimed for an employer who does not pay the apprenticeship levy and has fewer than 50 employees who would not otherwise be in a position to recruit an apprentice aged 16 to 24 at the start of their apprenticeship, into employment through an approved apprenticeship framework. Employers who hold a conditions of funding (grant) – employer funding agreement with us for apprenticeships cannot have an AGE funding agreement and cannot claim AGE.
- P329. An eligible employer can claim a maximum of five AGE grants in total, subject to eligibility.
- P330. These funding rules must be read together with the latest AGE 16 to 24 employer fact sheet which details the terms and conditions of the grant; your AGE 16 to 24 provider funding agreement and the technical guidance note which you can access on [GOV.UK](#).
- P331. The employer must not have started an apprentice (of any age or at any level) in the previous 12 months prior to the start date of the first apprentice claiming the AGE.
- P332. You can only offer AGE if you have a signed AGE 16 to 24 provider funding agreement. You must not offer AGE to an employer if this would result in your commitments to employers exceeding your agreed contract value.
- P333. AGE is not available for apprenticeship standards.
- P334. AGE is available for eligible apprentices who started their apprenticeship on or before 31 July 2017, subject to affordability.

### Employer eligibility

- P335. You must check that an employer is eligible before applying for the grant. You must provide the employer with a copy of the latest AGE 16 to 24 employer fact sheet and ensure they understand the criteria.
- P336. You must correctly complete the requirements in the AGE 16 to 24 employer declaration and ensure the employer understands the timetable to process an eligible claim and for the payment to be received. You can find more information about AGE on [GOV.UK](#).
- P337. Check your own ILR records to confirm that they have not accessed apprenticeship funding with you in the last 12 months.

- P338. Check that the employer identifier used in the individualised learner record (ILR) relates to the correct legal entity employing the apprentice and that the record confirms that their recorded total aggregate workforce is fewer than 50, including any apprentices already employed.
- 338.1 Ensure that the employer is aware that if they, or any other branches or divisions in their business, have accessed apprenticeship programme funding for new apprenticeship starts in the last 12 months, they will not be eligible for the AGE grant.
- 338.2 Ensure that the employer is aware that payment timing is dependent on a timely and correctly completed record by you, and that this will take at least eight weeks after the 13-week eligibility trigger for this to be processed by the ESFA and paid by you.
- P339. Public sector organisations who meet the eligibility criteria can apply for the grant. For the purposes of the grant, the number of employees for schools and doctors' surgeries is based on the site, not the local authority.
- P340. In specific circumstances, certain franchises that employ fewer than 50 employees (as recorded on EDS) are eligible to claim the grant.

### **Qualifying apprentices**

- P341. To be eligible, individuals must:
- 341.1 be aged between 16 to 24 years old at the start of their apprenticeship
- 341.2 be living in England
- 341.3 start on an ESFA-approved apprenticeship framework before their 25th birthday
- 341.4 not be an existing employee but a new recruit with the employer
- 341.5 still be employed with the employer making the claim at the date of the 13 week qualifying period from the 'learning' start date as recorded on the ILR
- P342. Where the apprentice is subject to a break in learning the employer may still be eligible for an AGE grant where the apprentice has been correctly coded on the ILR. Please refer to the technical guidance note hosted on [GOV.UK](https://www.gov.uk) on how to process apprentices who have a break in learning.
- P343. Where an eligible employer is recruiting a 16 to 24-year-old who

started their apprenticeship with another employer, they may be potentially eligible for the grant. The employer must commit to employ the apprentice for a minimum of 12 months or for the duration of the apprenticeship, whichever is the longer. The ILR must be updated to record the new employer's employer identifier.

P344. You must:

- 344.1 help employers check their eligibility and to understand their commitment when applying for the grant; advising employers of eligibility and the reasons why
- 344.2 clarify the process of applying for the grant, including timescales for when employers will receive payment
- 344.3 check against the data available to ensure the claim is accurate and successfully processed
- 344.4 submit applications on behalf of eligible employers through the ILR ensuring that the ILR is correctly coded, including the correct employer identifier for the employer and the current learning delivery monitoring (LDM) code for AGE
- 344.5 record the AGE LDM code on the ILR at the earliest opportunity; you should submit an ILR record for the apprentice with the correct AGE LDM codes as part of your next data return and before the 13-week qualifying period
- 344.6 obtain and retain eligibility evidence
- 344.7 investigate and resolve employer complaints and issues relating to AGE claims
- 344.8 co-operate and supply information to the Education and Education and Skills Funding Agency (EFSA) where a complaint has not been resolved to the satisfaction of the complainant and has been escalated to the ESFA in accordance with your AGE 16 to 24 provider funding agreement (PFA) make payments to eligible employers no later than 30 days after receipt of funding from the EFSA

## **Devolution**

P345. Employers who recruit apprentices in areas where the AGE 16 to 24 budget has been devolved are not eligible for an AGE grant funded by the ESFA. Your PFA includes further information on when a devolution agreement is agreed and the impact this will have on your contract value.

P346. You must signpost employers to the devolved area where the AGE budget is managed locally through devolution. You can access an up-to-date list of areas where AGE is managed locally and how to contact them on GOV.UK.

- P347. You must include the correct LDM code on the ILR to identify that the employer is claiming a grant. You should also use the same code for apprentices where their employer's postcode falls within a devolved area's footprint. You can find further guidance on valid LDM codes and recording AGE apprentices on GOV.UK.

### **Application process and evidence requirements**

- P348. You must verify apprentice and employer eligibility for the AGE grant at the start of the discussion with employers about their AGE 16 to 24 and retain any evidence you collect to demonstrate this.
- P349. You and the employer must complete and sign the AGE 16 to 24 employer declaration (you can access this on [GOV.UK.](https://www.gov.uk)) as soon as possible but always before the 13-week period is reached. You must provide a copy of the signed declaration with the employer once it has been completed and signed by both parties.
- P350. You must refer to the technical guidance note for details on how to process your AGE claim and comply with the performance-management rules when delivering AGE.

### **Recovery of funds**

- P351. If you identify the employer or apprentice as being ineligible before the 13 week qualifying period, you must update the ILR record and contact the employer to make them aware of the change.
- P352. Where your ILR submission makes an employer ineligible, we will recover the funds. You must update the ILR record at the earliest opportunity.

### **Apprenticeship training agency (ATA) requirements**

- P353. ATAs that have successfully completed the ATA recognition process and are on the national [register of approved ATAs](https://www.gov.uk) are able to offer the grant to eligible 'host employers' committed to support the apprentice for a minimum of 12 months or the time they take to completed their apprenticeship programme, whichever is the longer.
- P354. Recognised ATAs will work with the training organisation network to claim the grant on behalf of the 'host employer' (as ATAs will not be administrating grants on behalf of the employer). The entire £1,500 should be passed to the 'host employer' by the training organisation. ATAs and the training organisation must not hold back or top-slice any element of the £1,500, directly or indirectly. Grant payments cannot be split between host employers.
- P355. You must use the version of the employer declaration which is specifically for eligible host employers who are applying through an

ATA.

## **Payments and performance-management**

- P356. Your AGE allocation is the total value of grants available for you to support employers recruiting 16- to 18-year-old apprentices and 19- to 24-year-old apprentices. Your funding agreement will state the maximum values you can claim for AGE separately for 16-to-18 year olds and 19-to-24 year olds. It will also state the first and last date for eligible apprenticeship starts. You cannot vire funds between the two age groups.
- P357. We will pay you on the basis of your actual delivery each month for eligible apprentices who have passed their 13-week qualifying period. We will work out the value of your actual delivery using the latest validated ILR data you provide.
- P358. We will only pay you up to the maximum value of your AGE allocation for each age group. You must not commit funding to employers if your commitment is greater than your AGE allocation for the relevant age group(s). If your delivery is likely to exceed your AGE allocation for either age group, you must request an increase to your AGE allocation.
- P359. To provide greater flexibility, we will combine your January to April AGE allocation with your May to July AGE allocation (where you have a January to April allocation). This will be your single allocation for starts between January 2017 and July 2017. We will reflect this change in your funding agreement.
- P360. In August 2017, we will measure the performance of your AGE contract value. The AGE performance-management timetable is set out in table 1 of annex F.
- P361. We will reduce your contract value if your performance in August 2017 is outside the tolerance.
- P362. We will reduce your AGE allocation contract value by the value of under-delivery to date for the relevant age group(s). We will not change this approach unless:
- 362.1 You demonstrate you were impacted by data issues outside of your control
  - 362.2 It is less than our minimum threshold for reductions. The minimum thresholds we will apply at the AGE performance-management points are set out in table 1 of annex F.
- P363. If you have no delivery against one or both age groups of your AGE allocation by December 2017, we may remove it. We will contact you first if this applies to you.
- P364. You can request an increase to your AGE allocation if you need one.



P365. You can ask for an increase to your AGE allocation by sending an [AGE change request form to providerAGEfacilitymanagement@education.gov.uk](#). The last date you can request an increase is 31 July 2017. We may ask you for more information to support your request.

P366. Where you do not meet our criteria for increasing your 16 to 18 apprenticeships or adult apprenticeships contract value, you must only use AGE to recruit apprentices within your existing funding allocation.

P367. You can use the AGE change request form to request an AGE allocation if you do not have one and you have a financial memorandum or conditions of funding (grant) or contract for services for 16 to 18 or adult apprenticeships. The last date you can request an AGE allocation for the first time is 12 July 2017. You must provide a business case to justify your request.

P368. We will increase your current AGE allocation for the age group(s) that you request if funds are available and if:

P368.1 Your latest ILR return shows that your actual and pipeline delivery is 75% or greater of your allocation for that age group. Actual delivery means apprentices for whom we have paid your AGE claim already. Pipeline delivery means apprentices who you have recorded as eligible for AGE but who have not yet completed the 13-week qualifying period.

P368.2 You have a good track record.

P368.3 You are not under notice for failure of financial control.

P368.4 We are confident that awarding an increase to your funding allocation is a good use of public funds.

P369. We will only increase your AGE allocation for an age group by the maximum value shown below.

Your current AGE delivery	Maximum increase
From £0 to £15,000	£6,000
From £16,500 to £201,000	50% of your current AGE delivery rounded up to the nearest £1,500
From £201,000 or greater	£100,500

P370. We reserve the right to change your facility if you do not meet the track record criteria in the performance management rules.

## Annex F: Apprenticeship grant for employers performance-management point

**Table 1: Apprenticeship grant for employers performance-management minimum threshold and timetable**

	Performance-management point (August 2017)
Lower threshold for contract value adjustments	£10,500
Delivery information using the latest validated ILR data you provide	04 August 2017
Decision to approve reductions	w/c 14 August 2017
Providers told the outcome of our performance-management process from	w/c 21 August 2017

**Table 2: Apprenticeship grant for employers performance-management point tolerances**

		Performance-management point (August 2017)
Providers with a financial memorandum or conditions of funding (grant) or conditions of funding (grant - employer) for apprenticeships	16 to 18	10%
	19 to 24	15%
Providers with a contract for services for apprenticeships	16 to 18	10%
	19 to 24	10%

## Annex G: Table of equivalent qualifications accepted for the purposes of prior attainment

<b>Level 2 Apprenticeship</b>			
<b>Qualifications</b>	<b>Subject - English</b>	<b>Subject - maths</b>	<b>Minimum Requirement</b>
<b>GCSE International GCSE</b>	English English language English literature English language and literature	Mathematics Linear maths Modular maths Application of maths Methods in mathematics Additional mathematics Use of mathematics Mathematics - numeracy	E or 2
<b>Functional Skills (Level 1)</b>	English	Mathematics	Pass
<b>Key Skills (Level 1)</b>	Communication Literacy	Application of number	Pass
<b>A Level</b>	English English language English literature English language and literature	Mathematics Pure mathematics Further mathematics Use of mathematics	E
<b>AS Level</b>	English English language English literature English language and literature	Mathematics Pure mathematics Further mathematics Use of mathematics	E
<b>O Level</b>	English language English literature	Mathematics	English E Mathematics C

<b>British Sign Language</b> Regulated qualifications framework level 1 Scottish credit and qualification framework level 4	British Sign Language	-	Pass
<b>Essential Skills Wales or Northern Ireland</b> (Level 1)	Essential communication skills	Essential application of number skills	Pass
<b>Scottish Intermediate 1</b>	English	Mathematics	C
<b>Scottish National 4</b>	English literacy	Mathematics	Pass
<b>Scottish Standard Grade General</b>	English	Mathematics	3

<b>Level 3 Apprenticeship</b>			
<b>Qualifications</b>	<b>Subject - English</b>	<b>Subject - maths</b>	<b>Minimum Requirement</b>
<b>GCSE International GCSE</b>	English English language English literature English language and literature	Mathematics Linear maths Modular maths Application of maths Methods in mathematics Additional mathematics Use of mathematics Mathematics - numeracy	C or 4
<b>Functional Skills (Level 2)</b>	English	Mathematics	Pass
<b>Key Skills (Level 2)</b>	Communication Literacy	Application of number	Pass
<b>A Level</b>	English English language English literature English language and literature	Mathematics Pure mathematics Further mathematics Use of mathematics	E
<b>AS Level</b>	English English language English literature English language and literature	Mathematics Pure mathematics Further mathematics Use of mathematics	E
<b>O Level</b>	English language English literature	Mathematics	C
<b>British Sign Language</b> Regulated qualifications framework level 2 Scottish credit and qualification framework level 5	British Sign Language	-	Pass
<b>Essential Skills Wales or Northern Ireland (level 2)</b>	Essential communication skills	Essential application of number skills	Pass
<b>Scottish Intermediate 2</b>	English	Mathematics	C
<b>Scottish National 5</b>	English literacy	Mathematics	Pass
<b>Scottish Standard Grade Credit</b>	English	Mathematics	Pass

## Glossary

<b>Apprenticeship</b>	An apprenticeship is a job with an accompanying skills development programme. This includes the training and (where required) end-point assessment for an employee as part of a job with an accompanying skills development programme.
<b>Apprenticeship agreement</b>	An <a href="#">apprenticeship agreement</a> is between an employer and an apprentice, either in accordance with the <a href="#">Apprenticeships, Skills, Children and Learning Act 2009</a> sections 32 to 36 (for frameworks) or section A1 (for standards – an approved English apprenticeship agreement).
<b>(The) Apprenticeship Service</b>	The <a href="#">digital interface</a> to services designed to support the uptake of apprenticeships. The service is aimed primarily at employers who engage with learning providers and apprenticeship assessment organisations to deliver and facilitate the apprenticeship programme.
<b>Apprenticeship Service account</b>	The area on the apprenticeship service where employers can manage their funding and apprentices, view their account balance and plan their spending.
<b>Apprenticeship training agency (ATA)</b>	An organisation whose main business is employing apprentices who are made available to employers for a fee.
<b>Apprenticeship levy</b>	The apprenticeship levy will be a levy on UK employers to fund new apprenticeships. In England, control of apprenticeship funding will be put in the hands of employers through the apprenticeship service. The levy will be charged at a rate of 0.5% of an employer's pay bill. Each employer will receive an allowance of £15,000 to offset against their levy payment.
<b>Break in learning</b>	When an individual is not continuing with their apprenticeship but has told the employer beforehand that they intend to resume their apprenticeship in the future.
<b>Commitment statement</b>	A statement held by the main provider, the apprentice and their employer. The commitment statement sets out how the apprentice will be supported to successful achievement of the apprenticeship. It must be signed by the apprentice, their employer and the main provider, and all three parties must retain a current signed and dated version.
<b>Contract for service</b>	A contract between a contractor and a client.
<b>Contract of service</b>	A contract between an employee and employer.
<b>Distance learning</b>	Learning delivered remotely (not face-to-face). This could include, but is not limited to, e-learning and webinars.
<b>Earnings adjustment statement (EAS)</b>	The <a href="#">earnings adjustment statement</a> is how providers claim funding that cannot be claimed through the individualised learner record.

<b>Employed</b>	An individual who has a contract of service. This does not include individuals who are self-employed.
<b>Evidence pack</b>	A collection of documents and information brought together to form a single point of reference relating to the learning that is taking place. This provides the evidence to prove that the apprentice exists and is eligible for funding, and for the learning to be provided.
<b>Exceptional learning support (ELS)</b>	<a href="#">Exceptional learning support</a> is when the needs of the apprentice are over £19,000 in a single year.
<b>Final day</b>	The date entered onto the <a href="#">ILR</a> when the apprentice is expected to complete the practical period of their apprenticeship.
<b>Functional skills</b>	Applied practical skills in English, maths and ICT that provide the individual with the essential knowledge, skills and understanding to enable them to operate effectively and independently in life and work.
<b>Gateway requirements</b>	These are requirements set out in the assessment plan that must be met by the apprentice prior to undertaking end-point assessment of the apprenticeship standard. They will include the completion of English and maths qualifications (where applicable) and completion of any on-programme mandatory qualifications (where applicable) along with satisfactory evidence (as determined by the employer, in consultation with the training provider) that the apprentice has achieved the necessary knowledge, skills and behaviours set out in the standard.
<b>Higher and degree apprenticeships</b>	An apprenticeship where the main learning is at level 4 or above (including higher education qualifications).
<b>The Hub</b>	<a href="#">The hub</a> provides online services including the return of your ILR and completed EAS. You can also search all learning aims, components of qualifications, apprenticeship frameworks and standards along with their validity and funding details.
<b>Immigration permission</b>	The permissions, or otherwise, granted by the government of the United Kingdom for an individual to reside here.
<b>Individualised learner record (ILR)</b>	The primary data collection requested from learning providers for further education and work-based learning in England. The data is used widely, most notably by the government, to monitor policy implementation and the performance of the sector. It is also used by organisations that allocate funding for further education.
<b>Integrated standard</b>	An integrated standard is where the end-point assessment is incorporated into the main learning aim (usually a degree or other full higher education qualification). In these cases, there is no need for an additional independent assessment.
<b>Levy-paying employer</b>	An employer with an annual pay bill of over £3 million.

<b>Licence to practise</b>	Where it is a legal (or statutory) requirement for all practitioners to obtain a licence which confirms the licence holder meets prescribed standards of competence, including situations in which it is unlawful to carry out a specified range of activities for pay without first having obtained a licence.
<b>Mentoring</b>	To include in off-the-job training, mentoring must impart new learning to the apprentice directly linked to the achievement of the apprenticeship by a more senior or experienced member of staff. This does not include general line management. The apprentice must not be doing productive work.
<b>Ordinarily resident</b>	For funding purposes, a person who normally lives in the country, is allowed to live there by law, and return there after temporary trips outside the country. Temporary absences from a country due to the learner or a relevant family member working or travelling abroad would be discounted when considering ordinary residency.
<b>Personal learning record (PLR)</b>	The <a href="#">personal learning record</a> (PLR) allows individual apprentices access to their past and current achievement records. These can be shared with schools, colleges, further education training providers, universities or employers when making an application to further their education, training and employment.
<b>Practical period</b>	The term of the <a href="#">apprenticeship agreement</a> , or the period for which the employer and apprentice agree that the apprentice will work and receive training under their approved English <a href="#">apprenticeship agreement</a> .
<b>Register of apprenticeship training providers</b>	From May 2017, levied employers will be able to choose a provider from a new register, the <a href="#">register of apprenticeship training providers</a> (RoATP). The register will encourage diversity and competition in the provider market, supporting quality and employer choice. To be added to the register, organisations must pass tests on due diligence, financial health, and tests on quality, capacity and capability.
<b>Register of end-point assessment organisations</b>	A <a href="#">register of end-point assessment organisations</a> from which an employer can select an organisation (to be contracted by a main provider) to deliver the end-point assessment as part of the employer's agreed apprenticeship programme.
<b>Start of learning</b>	The date on which learning begins. We do not consider enrolment, induction, diagnostic assessment or prior assessment to be part of learning.
<b>Subcontractor</b>	A legal entity that has a contractual relationship with a provider to deliver apprenticeship training funded by us.
<b>Unique learner number</b>	A 10-digit number used to match a learner's achievement to their <a href="#">personal learning record</a> (PLR).
<b>Written agreement</b>	The main provider must have a written agreement in place with the assessment organisation and make payment to them for conducting the end-point assessment. The written agreement must set out the arrangements for end-point assessment including arrangements for any re-takes and the transaction of payments.



<b>Zero-hour contracts</b>	Contracts which do not specify a set number of hours for the employee.

© Crown copyright 2018

You may re-use this information (excluding logos) free of charge in any format or medium, under the terms of the Open Government Licence.

To view this licence,  
visit <http://www.nationalarchives.gov.uk/doc/open-government-licence/>  
or e-mail: [psi@nationalarchives.gsi.gov.uk](mailto:psi@nationalarchives.gsi.gov.uk).

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This document is also available from our website [gov.uk/ESFA](http://gov.uk/ESFA).

If you have any enquiries regarding this publication or require an alternative format, please contact us [info@SFA.bis.gov.uk](mailto:info@SFA.bis.gov.uk)