



Apprenticeship funding and performance management rules May 2017 to July 2018

Summary of changes

Introduction

1. This document sets out amendments to the following documents:

- apprenticeship funding: rules and guidance for employers
May 2017 to March 2019 version 2
- apprenticeship funding: rules for employer-providers
May 2017 to March 2018 version 2
- apprenticeship funding and performance management rules for training
providers May 2017 to March 2019 version 4*

(*Version 5 existed only to update the performance management rules, no changes were made to the funding rules section of the document)

2. The funding rules form part of the terms and conditions for the use of funds in an employer's apprenticeship service account or for government-employer co-investment and you must read them in conjunction with your funding agreement or contract for services 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).
3. We will apply these rules to all apprenticeship programmes starting on or after 1 May 2017, unless otherwise indicated.
4. We have identified the rules in the new versions that have changed from previous versions in the table below. The employer, employer-provider and provider paragraph numbers are denoted with the prefix E, EP or P respectively.
5. This document is intended as a summary and does not replace the funding rules themselves. You should refer to the main funding rules document for the definitive rules.

Detail of changes

Section	Change	Paragraph number
Full document changes - terminology	Updated terminology: apprentice assessment organisation to end-point assessment organisation	-
	Updated terminology: register of apprentices assessment organisations to register of end-point assessment organisations	-
	Updated terminology: digital account to apprenticeship service account	-
	Updated terminology: contract of employment to contract of service	-
	Updated terminology: agreed price to negotiated price (for consistency)	-
Full document changes - referencing	Hyperlinks inserted and updated	-
	Paragraph referencing updated	-
Introduction and purpose of the document	Clarification: Training providers delivering to own staff are acting as an employer-provider and should therefore follow employer-provider rules.	P1
	Clarification: Payment to the end-point assessment organisation is through the main provider.	EP3 P3
	Update: Contact details for the ESFA service desk amended	EP10 P9
Understanding the terminology	Clarification: Link to where the full definition of an English apprenticeship can be found.	E8 EP13 P12
	Update: Date change for training provider rules from March 2019 to July 2018. A new set of rules from August 2018 will be published shortly for the 2018 to 2019 academic year.	P15
	Update: Date change for the employer and the employer-provider rules from March 2018 to July 2018. A new set of rules from August 2018 will be published shortly for the 2018 to 2019 academic year.	E12, E16.2 EP15.3, EP16
	Clarification: That end-point assessment organisations are not delivery subcontractors	E15 EP18 P17
	Update: To recognise the role of the Institute of Apprenticeships	E18 EP19

		P18
	New terminology: 'Practical period'.	EP21 P20
What is an apprenticeship? Genuine job	Clarification: The end-point assessment is part of the apprenticeship (for standards). Therefore the length of apprentice's contract of service should include the end-point assessment (where applicable).	E26.1 EP30.1 P29.1
	Clarification: Exceptions to rule P29.1 relating to redundancy. Brought forward from later in the document for emphasis.	E26.1.1, E26.1.2 EP30.1.1, EP30.1.2 P29.1.1, P29.1.2
	New rule (new starts from 15 January 2018 – standards only): Exceptions to Rule P29.1 relating to particular office holders (police constables and ministers).	E26.1.3 EP30.1.3 P29.1.3
	Clarification: As well as appropriate support the apprentice must also have appropriate supervision on the job	E26.4 EP30.4 P29.4
Off-the-job training	Update: language in this section has been updated to take into account the new Apprenticeships (Miscellaneous Provisions) Regulations 2017 in relation to off-the-job training.	E29, E30 EP33, EP34 P32, P33
	Clarification: Training that is not required as part of apprenticeship is not considered as part of the 20% off-the-job training e.g. new skills for the job that are not directly relevant to the apprenticeship.	E31.1 EP35.1 P34.1
	Clarification: Where off-the-job training is unable to take place, it must be rearranged and must take place during paid hours.	E32 EP36 P35
	Clarification: Earlier emphasis in the rules that there must be a minimum of 20% off-the-job training which must be evidenced in the evidence pack. A helpful calculation has also been provided.	E33 EP37 P36
	Update: "Paid working hours" changed to "paid hours" (to recognise period of leave etc). By paid hours we mean the apprentice's normal contracted hours, we do not include periods of irregular overtime.	E33 EP37 P36
	Clarification: We have also made it clear that whilst the legal definition of off-the-job training	E34 EP38

	might include English and maths, to receive government funding there must be a minimum of 20% English and maths should be excluded from this calculation.	P37
Apprentice's wages	Clarification: The apprenticeship rate is only applicable once an individual starts their apprenticeship programme and not before.	E35 EP39 P38
Apprenticeship agreement and commitment statement	Clarification: Link to where the full definition of an apprenticeship agreement can be found and what it should cover (for standards).	E39, E40.2 EP43, EP43.2 P42, P42.2
Apprenticeship duration and employment hours	Clarification: The minimum duration applies even when the content/duration of a programme has been adjusted to recognise prior learning.	E45 EP46 P45
	Clarification: The apprentice must be employed until end-point assessment (where applicable) is completed.	E46 EP47 P46
	Clarification: Exceptions to the minimum duration requirements.	EP60 P59
Who can be funded?	Clarification: Other funded DfE funded FE/HE programmes includes those on sandwich placements	E58.3 EP62.3 P61.3
	Clarification: Apprentices not being asked to contribute to the direct cost of an apprenticeship includes where they have left or completed the programme. Direct cost also includes co-investment and funding above the band relating to the apprenticeship.	E58.4 EP62.4 P61.4
	New rule (from April 2018): Confirmation of employment to include where an apprentice is funded by transfer of funds.	E62 EP66 P65
What can be funded - eligible costs	Update: To recognise the role of the Institute of Apprenticeships.	E75 EP81 P85
	Clarification: End-point assessment organisations can find eligible costs in the conditions of acceptance document. Therefore the eligible costs in the funding rules are for main providers and employer-providers in relation to training and on-programme assessment.	E77, E78 EP83, 84 P87, P88
	Update: As this section now only relates to costs associated with training and on-programme assessment, a reference to end-point assessment has been removed.	E64.7 (v2) EP72.7 (v2) P P79.7 (v5)

	Update: There is no longer a need for further learning in order to retake a mandatory qualification or an end-point assessment but if required the cost of additional learning can be included.	E78.7, E78.8 EP84.7, EP84.8 P88.7, P88.8
	Clarification: That the end-point assessment cost is negotiated between the employer and the end-point assessment organisation (the provider plays no role here).	E79 P89
	Clarification: Where eligible costs are bought from a third party which is the apprentice's employer, we will only pay actual costs and this must be recorded.	E80 P90
What cannot be funded – ineligible costs	Clarification: The ineligible costs listed are for main providers and employer-providers in relation to training and on-programme assessment.	E81 EP87 P91
	Update: The requirement for additional learning related to a resit of a mandatory qualification or an end-point assessment has now been removed.	E67.12 (v2) EP75.12 (v2) P82.12 (v5)
	Clarification: Services not related to the delivery and administration also includes membership costs and costs associated with procurement activities	E81.16 EP87.16 P91.16
	Clarification: Incentives or inducements must not be paid to an end-point assessment organisation.	E85 EP89 P94
Additional Payments	Clarification: Additional payments are only paid if apprentice is still in learning at the census points indicated	E90.1, E90.2 EP95.1, EP95.2 P100.1, P100.2
Support for English and maths	Insertion of 'apprenticeship funding and performance management rules – addendum 2' into the main funding rules document. No changes to the text apart from line below.	EP99-EP116, Annex B P108-P125, Annex G
	Update: The date by which existing apprentices could be reassessed was extended from 31 December 2017 to 31 August 2018.	E116 EP114 P123
End-point assessment	Clarification: The apprentice must still be employed until the end-point assessment (where applicable) is completed (unless redundancy applies).	E121 EP119 P128
	Clarification: The agreement between provider and end-point assessment organisation should	E125 EP123

	include arrangements for change of circumstances.	P132
	Clarification: To recognise the role of the Institute of Apprenticeships and external quality assurance in the end-point assessment.	E126 EP124 P133
	Clarification: Eligible costs for end-point assessment organisations are set out the in conditions of acceptance document.	E128 EP126 P135
Agreeing the use of subcontractors with employers	Clarification: Subcontractors can deliver part or full apprenticeships <u>only</u> where the main provider is delivering some of the employer's programme.	EP133 (with EP130) P142 (with P140)
	Clarification: Clauses added to explain the rationale for the restrictions on second level subcontracting.	EP138 P148
Special conditions for all instances where employer is the delivery subcontractor	Clarification: Creation of new subsection to re-emphasise that where the employer is the delivery sub-contractor actual costs must be used (in same way as an employer-provider can only work to actual costs). An employer should not make a profit on the delivery to their own employees. This rule was previously in another section.	E135 EP154 P168
The price of an apprenticeship	Clarification: The full cost of apprenticeship must be transparent. Where an employer is legitimately delivering training or providing an eligible cost the overall price should not be reduced. All costs must be transparent.	E141 P174
When payments are made	Clarification: the funding calculation does not take into account any upfront costs or the delivery model e.g. block release. Payments are made monthly regardless of how the training is scheduled.	E150 EP170, EP173 P176, P177
	New rule (from April 2018): This will now include where the apprenticeship is funded by a transfer.	P178
Employer co-investment	Clarification: Employer-providers delivering to own staff are exempt from employer co-investment. The ESFA will continue to pay 90% of the total price.	E149.4 P192.4
Qualifying days for funding	New terminology: For standards, the planned end-date is referred to as the 'final day' in legislation.	E166 EP185 P195
State aid	New rule (from April 2018): Confirmation that levy transfers are subject to state aid regulations.	E170, E171 EP189, EP190 P199, P200

Apprenticeships funded by transfers of levy funds	New rules (from April 2018): From April 2018 employers can transfer up to 10% of their levy funds to another employer. These are new rules to support this process and may be subject to change.	E173 to E207 EP193 to EP220 P203 to P212
The commitment statement	Clarification: That the commitment statement has previously been referred to as an individual learning plan.	EP221 P213
	Update: The need to get the commitment statement signed by a parent or legal guardian, for apprentices aged between 15 and 17, has been removed.	E EP164(v2) PP184(v5)
Data protection	Update: to reference the new GDPR regulations.	EP223, EP224 P215, P216
Changes to the apprenticeship, main provider or employer Redundancy	Clarification: to outline the types of circumstances that might change and impact on an apprenticeship	E208 EP231 P223
	Clarification: instances which should not be recorded as break in learning	E209 EP233 P225
	Update: This section has been split, to aid navigation, into those made redundant with less than 6 months to the end of the apprenticeship and those with more than 6 months left.	P231 to P233
	Update: Contact details for the ESFA service desk amended	E218 EP243 P238
Evidence pack	Clarification: That it should be clear in the evidence pack that the price should only contain the applicable eligible costs.	EP248.1 P243.1
	Clarification: That there should be clear evidence of delivery in the evidence pack.	EP248.2, EP248.3 P243.2, P243.3
	New rule (from April 2018): That the state aid evidence should include receipt of transferred ley funds	EP248.7 P243.8
	Insertion of evidence requirements from addendum 2 on English and maths exemptions.	EP248.15 P243.16
Countries or areas where residency establishes eligibility for our funding	Clarification: Channel Islands and Isle of Man are not classed as part of England for apprenticeship funding purposes.	EP268.7.1 P263.7.1

Table of equivalent qualifications accepted for purposes of prior attainment	Insertion of the table of equivalent qualifications accepted for purposes of prior attainment.	E Annex A EP Annex B P Annex G
Glossary	Update: Added definitions for contract for service, contract of service, mentoring, and practical period. Changed 'learning planned end-date to 'final day'.	E Glossary EP Glossary P Glossary