



Department  
for Education

# Apprenticeship funding rules and guidance for employers

August 2022 to July 2023

Version 1

This document sets out the rules and guidance for all employers participating in the apprenticeship programme from 1 August 2022 to 31 July 2023. It includes the funding rules, which apply to all employers participating in the apprenticeship programme through a digital account on the apprenticeship service.

[View other apprenticeship funding rules](#)

July 2022

# Contents

<b>Employers and apprenticeships: things to check .....</b>	<b>4</b>
<b>Introduction and purpose of the document.....</b>	<b>6</b>
Recruit an apprentice.....	7
<b>Programme eligibility.....</b>	<b>8</b>
What is an apprenticeship? .....	8
Recognition of prior learning and experience .....	10
Employment arrangements (between you and the apprentice) .....	12
Apprenticeship agreement (between you and the apprentice).....	13
Alternative English apprenticeship.....	14
Apprentice wages .....	15
Minimum duration and employment hours .....	16
Off-the-job training .....	18
Flow chart: Where actual off-the-job training is less than the original plan .....	26
The training plan between the apprentice, employer and main provider.....	27
Progress reviews .....	30
<b>Who can be funded?.....</b>	<b>31</b>
Individuals who are eligible for funding .....	31
Individuals who are not eligible for funding .....	32
Apprentices who need access to learning support.....	34
Flexi-Job Apprenticeship Agency (FJAA) .....	35
Apprenticeship training agency (ATA) .....	36
<b>What can be funded?.....</b>	<b>37</b>
Eligible costs.....	37
Ineligible costs .....	43
Additional payments .....	46
Care leavers bursary .....	47
Extra support for small employers .....	48
Support for English and maths training.....	48
Flow chart: find out if an apprentice needs to do English and maths i.e functional skills or GCSE .....	53
End-point assessments .....	54
Certification.....	56
<b>Contracting and subcontracting.....</b>	<b>56</b>
Main providers directly delivering training or on-programme assessment .....	56
Agreeing the use of subcontractors with employers .....	57

Your written agreement with the main provider .....	58
Delivery of apprenticeship training and on-programme assessment by delivery subcontractors .....	59
Special conditions for all instances where the employer is the delivery subcontractor .....	59
Disputes and issue resolution between the employer and main provider .....	60
<b>Paying for an apprenticeship.....</b>	<b>60</b>
The price of an apprenticeship.....	60
Employer co-investment .....	62
Financial contributions by an apprentice.....	63
When payments are made.....	63
Funds in your apprenticeship service account.....	64
Reservation of funds by non-levy employers .....	65
New for 1 August 2022 .....	65
Qualifying days for funding .....	67
Subsidy control .....	68
<b>Apprenticeships funded by transfer of levy funds .....</b>	<b>68</b>
Introduction for all employers.....	68
Rules for sending employers .....	69
Rules for receiving employers.....	70
If the total cost cannot be covered by the transfer .....	71
Monitoring.....	71
<b>Change of circumstance .....</b>	<b>72</b>
Flow chart: Find out what to do if your apprentice wants to take a break in learning .....	75
Where training or assessment stops.....	76
Redundancy .....	76
Flow chart: What to check in the case of redundancy.....	79
Maternity, adoption and shared parental leave .....	79
Changing to a new version of a standard .....	82
Summary of action following a change of circumstance .....	83
<b>Annex A: Eligibility criteria (who we fund) .....</b>	<b>91</b>
UK nationals .....	91
Right of abode in the UK.....	91
UK nationals in the EEA and Switzerland .....	92
EEA and Switzerland nationals in the UK with EU Settlement Scheme (EUSS) status .....	92
Irish citizens in UK or Ireland .....	92
Irish citizens in EEA and Switzerland.....	92
Non-UK nationals.....	92

Family members of EU Nationals .....	93
Family members of an eligible person of Northern Ireland .....	93
Joining family members under the EU Settlement Scheme .....	93
Late applications to the EU Settlement Scheme.....	93
Individuals with certain types of immigration status and their family members .....	94
Asylum seekers .....	95
Children of Turkish workers .....	95
Persons granted stateless leave.....	96
Immigration status .....	97
Those in the armed forces or outside of England .....	97
Further information for 16 to 18-year-olds .....	97
Countries or areas where residency establishes eligibility for our funding.....	98
<b>Glossary.....</b>	<b>100</b>

## **Employers and apprenticeships: things to check**

This document is a combination of rules and guidance in order to help you manage your apprenticeship in partnership with your chosen main provider. This summary checklist is a guide to the steps you must take to ensure you are meeting the apprenticeship funding rules.

### **Do you have a genuine job for this apprentice?**

By genuine we mean that:

- The apprentice must have a contract of service with you which is long enough for them to complete the apprenticeship successfully (including the end-point assessment). Exceptions to this can be found in paragraph E25.
- The cost of the apprentice's wages must be met by you.
- The apprentice must have a job role with you that provides the opportunity for them to gain the knowledge, skills and behaviours needed to achieve their apprenticeship.
- The apprentice must have appropriate support and supervision on the job, by you, to carry out their job role.

### **Have you checked the eligibility of the apprentice?**

The apprentice must work for you, or a [connected company or charity](#) as defined by HMRC and they must:

- Have the right to work in England.
- Spend at least 50% of their working hours in England.

### **Have you chosen a main provider and negotiated a price?**

The relationship between you and the main provider is important throughout the apprenticeship. Your main provider must offer you the option of using the [recruit an apprentice](#) service for all new recruits into your business.

You and your main provider must agree a price for the total cost of each apprenticeship. The price must include the cost of training and on-programme assessment (which you agree with the provider) and the cost of the end-point assessment (which you must agree with an end-point assessment organisation).

### **Have you checked the duration of the apprenticeship and that prior learning has been recognised?**

You must make sure the apprenticeship training will last for at least 12 months. The standard specification or assessment plan may require this to be longer to support the delivery of the full apprenticeship content. The main provider must account for and agree with you, any relevant prior learning that your apprentice has and reduce the content, duration and price of the programme accordingly. Funds must not be used to pay for skills already attained by the apprentice.

### **Have you got an apprenticeship agreement with the apprentice?**

An [apprenticeship agreement](#) must be signed at the start of the apprenticeship. It is used to confirm individual employment arrangements between the apprentice and yourself and is a legal requirement. Your provider can advise you if you fall into one of the exceptions whereby an apprenticeship agreement is not required.

### **Have you got a training plan?**

There must be a training plan, signed by you, the apprentice and the main provider. This sets out the plan for the agreed training.

### **Have you recorded the apprenticeship?**

If you are a levy payer, or a non-levy payer who is using reserved funds or using a levy transfer, you must have an [apprenticeship service](#) account; this is where you must record the apprenticeship details. You can ask the main provider to do this for you, but you will need to authorise the apprentice details so that we can use your apprenticeship service account to pay for that apprentice's apprenticeship.

### **Have you ensured your apprentice is on the correct wage?**

Apprentices must be an employee on the first day of their apprenticeship and as a minimum at least be paid a wage consistent [with the law](#) for the time they are in work, in off-the-job training and when studying English and maths (if appropriate).

### **Have you checked on the progress of your apprentice?**

You must make sure the apprentice is taking part in active learning throughout the apprenticeship and has regular progress reviews at least every 12 weeks that involve you and the provider.

### **Evidence requirements**

You must provide evidence to the main provider of the apprentice's average weekly hours and any changes to their working patterns. You must also have evidence for any additional payments made to you because of the apprentice's characteristics (for example, their age). You must give the main provider evidence of the apprentice's eligibility at the start of their apprenticeship and evidence of any learning that you have agreed to take the lead in delivering.

## Introduction and purpose of the document

### New for 1 August 2022

**E4** - Clarification: To reflect changes in the employer agreement / terminology.

**E8.3** - Clarification: To reflect that the changes to rules on English and maths (detailed in paragraphs E110.1 and E114.1) will apply irrespective of the apprentice's start date and will include existing learners who started their apprenticeship programme in previous funding years. **Updated for version 1.**

**E12** - New rule: If you are taking part in the [portable flexi-job apprenticeships pilot](#), you must also refer to the supplemental funding rules for employers delivering the portable flex-job apprenticeships pilot programme. We will provide these rules when you join the pilot programme.

- E1** This document sets out the guidance for all employers participating in the apprenticeship programme from 1 August 2022. It also sets out the funding rules for all employers who are participating in the apprenticeship programme through an account on the [apprenticeship service](#).
- E2** If you are an employer who does not pay the levy but would like to know more about [employing apprentices](#), please visit GOV.UK.
- E3** If you would like more detailed information on the features of the apprenticeship funding system, including how we will calculate funding for organisations receiving funding from us, please refer to the [Apprenticeship Technical Funding Guide](#). This will be useful for you to understand how we will make payments for main providers from your apprenticeship service account.
- E4** The rules contained in this document form part of standard terms and conditions for the use of the apprenticeship service to access funding for apprenticeships training through an employer's apprenticeship service account. If you are an employer accessing funding through the apprenticeship service, you must operate within the terms and conditions of your apprenticeship employer agreement. The [employer agreement](#) is 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) and includes these rules.
- E5** If you breach your employer agreement, we reserve the right to take action.
- E6** We may take action to recover 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 your apprenticeship service account, government co-investment or additional payments (including incentive payments for hiring a new apprentice) to which you are not entitled.
- E7** If you would like any further support, you can contact us through our Apprenticeship Business Support team on 08000 150 6000.
- E8** These rules will apply to all apprenticeship programmes starting on or after 1 August 2022, with the following exceptions:

- E8.1** The redundancy rules (detailed in paragraphs E255 to E256). These rules will apply irrespective of the apprentice's start date and will include existing learners who started their apprenticeship programme in previous funding years.
- E8.2** The rules on changing to a new version of a standard (detailed in paragraphs E266 to E276), which describe the rules for when an existing apprentice wishes to move to a new version of the same standard. These rules will apply irrespective of the apprentice's start date and will include existing learners who started their apprenticeship programme in previous funding years.
- E8.3** The rules on English and maths (detailed in paragraphs E110.1 and E114.1). These rules will apply irrespective of the apprentice's start date and will include existing learners who started their apprenticeship programme in previous funding years.
- E9** All new apprentices must start on an approved [apprenticeship standard](#).
- E10** All new apprentice starts with both levy and non-levy paying employers must be funded through the apprenticeship service. Employers who do not pay the levy can reserve funds using the apprenticeship service to access apprenticeship funding. More information on reservation of funds can be found in paragraphs E190 to E204 of this document.
- E11** Any apprenticeship which started before 1 August 2022 will continue to follow the [rules](#) in force at that time. These can be accessed on GOV.UK.
- E12** If you are taking part in the [portable flexi-job apprenticeships pilot](#), you must also refer to the supplemental funding rules for employers delivering the portable flexi-job apprenticeships pilot programme. We will provide these rules when you join the pilot programme.
- E13** Some occupations require the training provider to be approved by a regulatory body before being able to deliver training for the apprenticeship. We may take action to recover apprenticeship funding where they have delivered training but do not have the necessary approval.

## Recruit an apprentice

### **New for 1 August 2022**

**E14.2** - Clarification: We have confirmed that the employer can create their own advert or ask the main provider to do this on their behalf. **Updated for version 1.**

**E14.3** - New rule: Whilst it is not mandatory for employers to use Recruit an apprentice, it is a condition of funding for all main providers to offer this service where applicable (e.g. for new recruits into a business). Where an employer has declined the use of Recruit an apprentice, you must record the reason for this in the evidence pack. We have confirmed that the information can be recorded at either learner or employer level and we have explained how we will use this information. **Updated for version 1.**



**E14.4 - Clarification:** We have confirmed that you do not need to use Recruit an apprentice for existing members of staff (i.e. where there is no apprenticeship vacancy).  
**Updated for version 1.**

- E14** Your main provider must offer you the option of using the free [Recruit an apprentice](#) service for all new recruits into your business.
- E14.1** 'Recruit an apprentice' is the official government service for posting and managing apprenticeship vacancies ('[Find an apprenticeship](#)' is the corresponding candidate portal).
- E14.2** You can either create your own apprenticeship advert or you can give a main provider 'recruitment permission' to create an advert on your behalf.
- E14.3** It is not mandatory for employers to use this service. However, where you do not use this service, your main provider must record a reason for this; this can be recorded at either learner or employer level. We will ask for this information to be returned to us periodically and we will use this information, along with other employer survey data, to improve usage of the service.
- E14.4** You do not need to use Recruit an apprentice for existing members of staff (i.e. where there is no apprenticeship vacancy).
- E14.5** Where a main provider advertises a vacancy on Recruit an apprentice, on your behalf, it must be clear in the advert how many hours the apprentice will be expected to work per week for the role and how long the apprenticeship will last. This must meet the minimum duration requirements (see paragraphs E28 to E32).

## Programme eligibility

### What is an apprenticeship?

- E15** An apprenticeship is a job with training. Through an apprenticeship, an apprentice will gain the technical knowledge, practical experience and wider skills and behaviours that they need for their immediate job and future career. The apprentice will gain this through:
- E15.1** Formal off-the-job training (which is an eligible cost, provided both the individual and the programme can comply with these funding rules) and
- E15.2** The opportunity to apply these new skills in a real work environment (in a productive job role) through on-the-job training, which is the responsibility of you (as the apprentice's employer).

## Initial assessment

### New For 1 August 2022

**E16 to E17** - New rules: We have outlined the requirements of an initial assessment. This includes the requirement for there to be a direct link between the productive job role and the apprenticeship standard and the requirement for you (the employer) to provide the individual with the appropriate support and supervision, even where the apprentice is working from home. Note that we do not specify which assessment tools must be used, this is for your main provider to determine. **Updated for version 1.**

- E16** To access government funding, your main provider must ensure the individual and the programme are eligible for funding by conducting an initial assessment of the individual's suitability, in line with the proposed apprenticeship. We do not specify which assessment tools must be used, this is for your main provider to determine.
- E17** This initial assessment must include:
- E17.1** An assessment of the learner's eligibility for the apprenticeship programme (see paragraphs E54 to E65);
  - E17.2** Identification and recognition the individual's prior learning and experience, in the form of a skills-scan, which enables the individual to be assessed against the knowledge, skills and behaviour requirements of the relevant apprenticeship standard;
    - E17.2.1** If considered relevant by your main provider, or required by the standard, the skills scan can be supplemented with additional diagnostic testing, of either occupational competence or of English and maths prior attainment;
    - E17.2.2** The results of the skills scan and any supplemental diagnostic testing must evidence that the individual requires significant new knowledge, skills and behaviours in order to be occupationally competent in their job role, and that the training required meets the funding rules relating to the minimum duration of an apprenticeship (paragraphs E28 to E32) and to off-the-job training (paragraphs E33 to E48);
    - E17.2.3** There must be evidence that the programme content, duration and price has been reduced accordingly (see paragraphs E18 to E19 for further guidance, including how to calculate and document the price reduction);
  - E17.3** Identification of any learning difficulties and / or disabilities;
    - E17.3.1** Where the assessment identifies potential learning difficulties and / or disabilities, that may require a reasonable adjustment to be made, your main provider must follow the funding rules set out in E66 to E67 if they need to claim learning support; and

- E17.4** A discussion with you and the individual so that all parties have a shared understanding of the desired learning outcomes, the results of the initial assessment activities listed above (see paragraphs E17.1 to E17.3) and how this information will inform a tailored training plan. The parties must agree that:
- E17.4.1** An apprenticeship is the most appropriate training programme for the individual;
  - E17.4.2** The training programme aligns with an approved apprenticeship standard, at the most appropriate level;
  - E17.4.3** The individual's job role has a productive purpose and there is a direct link between this job role and the selected apprenticeship standard;
  - E17.4.4** You will provide the individual with the appropriate support and supervision to carry out both their job role and their apprenticeship (including the end-point assessment), particularly where the apprentice is working flexibly, including working from home;
  - E17.4.5** You will release the apprentice for off-the-job training (and English and maths training if required) as documented in the training plan; and
  - E17.4.6** You will provide the apprentice with the opportunity to embed and consolidate the knowledge, skills and behaviours gained through off-the-job training into the workplace.

## Recognition of prior learning and experience

### New for 1 August 2022

**E18 to E19** - New rules: We have outlined what the assessment of prior learning activity must include. This includes a new formula that must be used to reduce the price to account for prior learning. **Updated for version 1.**

- E18** Your main provider must assess and agree with you, as part of the initial assessment, the individual's prior learning and experience before starting the apprenticeship (see paragraphs E16 to E17).
- E18.1** Funds must not be used to pay for training for knowledge, skills and behaviours already attained by the apprentice. We will take action to recover apprenticeship funding where this happens.
  - E18.2** Your main provider's assessment must identify and document any knowledge, skills and behaviours, relevant to the apprenticeship standard, gained from the following:

- E18.2.1** Prior education, training, or associated qualifications in a related subject sector area, including any previous apprenticeship undertaken; or
- E18.2.2** Learning or competence gained from prior work experience, particularly where the apprentice is an existing employee, or is beginning their apprenticeship after completing another programme with a relevant work placement.
- E18.3** Your main provider must check the individual's [personal learning record](#) if they have one.
- E18.3.1** Where the individual has completed a T-Level, your main provider must also take account of the [progression profiles](#) published by the Institute, which will identify if a subsequent apprenticeship in the same occupational area can be funded (as there is at least 12 months off-the-job training left to deliver) and if so, whether that apprenticeship must be an accelerated apprenticeship (see glossary definition).
- E18.3.2** Where published and relevant, guidance on progression routes for skills bootcamps and occupational traineeships must be considered in the same way.
- E18.4** The assessment must quantify the content which should be omitted from the training plan, in the form of a volume of off-the-job training hours.
- E18.4.1** The reduction of off-the-job training hours must translate to a reduction in duration and in the total negotiated price. (If your main provider cannot reduce the duration, they must still meet the minimum requirements of the off-the-job training policy for the full duration of the apprenticeship they have reported to us in the ILR).
- E18.4.2** It should be noted that some standards linked to regulated professions (e.g. the nursing associate standard) require that prior learning (including experience in the workplace) is formally accredited. The relevant industry / professional body will be able to provide further advice.
- E18.4.3** Where your main provider accounts for prior learning and experience and the reduction of content would mean that the apprenticeship would fail to meet either the minimum duration requirement or the minimum off-the-job training requirement, the apprenticeship is not eligible for funding.
- E18.5** To reduce the total negotiated price your main provider must:
- E18.5.1** Calculate the percentage of prior learning that the individual has, as a percentage of the off-the-job training hours that would be delivered to an individual with no relevant prior learning for the same standard. For

example, if the individual's prior learning accounts for 300 off-the-job training hours and typically, for the same standard, 1,000 off-the-job training hours would be delivered to an individual with no prior learning, this would equate to 30% prior learning.

**E18.5.2** Reduce the total price by at least 50% of the prior learning percentage, from the maximum funding band (the 50% reduction recognises that there are fixed costs in the programme). For the example in E18.5.1 above, where the apprentice has 30% prior learning, this means there must be a reduction in total price of at least 15% of the maximum funding band. This reduced price is the maximum that will be paid using apprenticeship funding (e.g. £8,500 for a £10,000 funding band where there has been a 15% reduction).

**E18.5.3** This new maximum funding amount becomes the starting point for further price negotiation with you. Additional discounts could be applied, for example, where the apprentice is part of a large cohort.

**E18.6** Further information about [recognition of prior learning](#) can be found on GOV.UK.

**E19** Where an assessment has been made and the result of this assessment is that no relevant prior learning exists, your main provider must agree this with you and document this in the evidence pack before starting the apprenticeship.

## Employment arrangements (between you and the apprentice)

### New for 1 August 2022

**E20** - Clarification: We have added a reference to the new flexi-jobs apprenticeship agencies.

**E20.1** - New rule: The apprentice must be on the PAYE scheme declared in the apprenticeship service account. This information will be cross-checked with HMRC PAYE data. **Updated for version 1.**

**E20.2** - New rule: Added to support multiple concurrent job roles. It must be clear who is undertaking the role of 'employer' as defined by these funding rules. (Note that we have removed the rules included in the draft version to support secondments; this change is subject to further review). **Updated for version 1.**

**E20** Unless the apprentice is on an alternative English apprenticeship, they must be employed by an employer, an apprenticeship training agency (ATA) or a flexi-job apprenticeship agency (FJAA), under a contract of employment. This arrangement must be for a period of time which is long enough for the apprentice to complete the apprenticeship successfully, including the end-point assessment.

- E20.1** The apprentice must be on the PAYE scheme declared in your apprenticeship service account. This information will be cross-checked with HMRC PAYE data.
- E20.2** If the apprentice has more than one employer at any one time (e.g. two part-time job roles), then only one of these employers can be used for the purposes of the apprenticeship. This is so that the party undertaking the role of 'employer' in the apprenticeship, as defined in these funding rules, is clear.
- E21** Your main provider must be satisfied that that the apprenticeship is a statutory English apprenticeship.
  - E21.1** This means it is an arrangement that will take place under an approved English apprenticeship agreement (see paragraphs E22 to E24), or an alternative English apprenticeship (see paragraphs E25 to E26).

## Apprenticeship agreement (between you and the apprentice)

### New for 1 August 2022

**E23** - Clarification: As two dates are required on the apprenticeship agreement, we have clarified the difference between an apprenticeship start date and a practical period start date. **Updated for version 1.**

- E22** The main provider must keep evidence that the apprentice has an apprenticeship agreement with you at the start of and for the duration of their apprenticeship. For standards, this is defined in section A1 (3) of the [Apprenticeships, Skills, Children and Learning Act 2009](#) (as amended by the [Enterprise Act 2016](#)) and the [Apprenticeships \(Miscellaneous Provisions\) Regulations 2017](#).
  - E22.1** A template [apprenticeship agreement](#) is available on GOV.UK. This template does not have to be used. Where an alternative is used, the requirements of the legislation as described below (see paragraph E23) must be met when forming an apprenticeship agreement.
- E23** This approved English apprenticeship agreement must set out:
  - E23.1** The apprentice's details (name, place of work);
  - E23.2** The apprenticeship standard and level being followed;
  - E23.3** The start and end date of the apprenticeship (this includes the end-point assessment);
  - E23.4** The start and end date of the practical period (this is the part of the apprenticeship where evidenced learning is delivered; it does not include the end-point assessment);
    - E23.4.1** The practical period start date may be the same date as the apprenticeship start date. This is common for existing members of staff who are already employed in their job

role when they decide to become an apprentice and begin their training.

**E23.4.2** In the case of an individual who is recruited specifically into a business as an apprentice, the practical period start date may be slightly later than the apprenticeship start date. This is so the individual can begin their job role first (the apprenticeship start date) and then begin their training (the practical period start date). These dates would usually be no more than 2-3 weeks apart.

**E23.4.3** The practical period start date on the apprenticeship agreement must match the practical period start date in the apprentice's training plan and the learning start date in the ILR.

**E23.5** The duration of the practical period (see paragraphs E28 to E32 re minimum duration); and

**E23.6** The amount of time the apprentice will spend in off-the-job training (see paragraphs E36 to E37).

**E24** If the apprenticeship agreement is incomplete and / or does not meet the statutory requirements set out above, the individual will not have a valid agreement and will not be eligible to receive funding.

**E24.1** The signed apprenticeship agreement must be distributed to both signatories (you and the apprentice) and you must give a copy to your main provider to keep in the evidence pack, along with any revisions.

## Alternative English apprenticeship

### New for 1 August 2022

**E25.1.1** - Clarification: We have clarified that in the case of redundancy, funding to completion also includes the end-point assessment.

**E25.3** - New rule: We have added a new alternative English apprenticeship – for those apprentices taking part in the portable flexi-job apprenticeship pilot. Note this pilot only involves specific training providers.

**E25** There must be evidence that the apprentice has an apprenticeship agreement with you (see paragraphs E22 to E24). The only exceptions to this are:

**E25.1** Apprentices who have been made redundant and on the day of dismissal:

**E25.1.1** Are within six months of the final day of the apprenticeship practical period or they have completed at least 75% of the apprenticeship practical period (see paragraph E255). These apprentices can be funded to completion, including the end-point assessment, without the need for a contract of employment or an apprenticeship agreement.

**E25.1.2** Have completed less than 75% of the apprenticeship practical period and the remaining training represents a training duration of more than six months (see paragraph E256). These apprentices may seek a new apprenticeship agreement which may have a duration of less than 12 months if required; our policy is that we will fund them for up to 12 weeks while they seek this further agreement.

**E25.2** Particular office holders, namely constables of English police forces and ministers or trainee ministers of a religious denomination.

**E25.3** Apprentices taking part in the portable flexi-job apprenticeship pilot (see paragraph E12).

**E26** In relation to these alternative English apprentices, except for the requirement to have evidence of employment and an apprenticeship agreement, you must comply with all of the other rules set out in this document.

## Apprentice wages

### New for 1 August 2022

**E27.1** - Clarification: Change from 'start of the apprenticeship programme' to 'apprenticeship start date', to keep the naming of dates in the funding rules consistent. We have also clarified that an apprentice over 19 who has completed the first year of their apprenticeship is entitled to at least the correct national minimum wage for their age.

**Updated for version 1.**

**E27.2** - Clarification: Where the individual permanently withdraws from the apprenticeship, and they are no longer an apprentice, they must be paid at least the national minimum wage rate for their age; this must not be the apprentice rate. This does not apply to those on a break in learning. **Updated for version 1.**

**E27** Every apprentice must be paid a lawful wage for the time they are in work and in off-the-job training. You are responsible for meeting the cost of the apprentice's wage, for complying with the law in this area and for providing evidence of this to your main provider.

**E27.1** Where you are using the apprentice rate of the national minimum wage you must only do so from the apprenticeship start date (see paragraph E23) and not before. Apprentices over 19 who have completed the first year of their apprenticeship are entitled to at least the correct national minimum wage for their age.

**E27.2** Where the individual permanently withdraws from the apprenticeship, and they are no longer an apprentice, they must be paid at least the national minimum wage rate for their age; this must not be the apprentice rate. This does not apply to those on a break in learning.

**E27.3** You can find information on the [national minimum wage](#), the apprenticeship rate and the definition of an employee on GOV.UK or you can contact the [ACAS helpline](#) on 0300 123 1100.



## Minimum duration and employment hours

### New for 1 August 2022

**E28.2** - Clarification: To clarify that active learning means off-the-job training and / or English and maths. To support the monthly payment, some active learning must take place every 4 weeks (or a break in learning must be used to stop the funding).

### Minimum duration of the practical period

- E28** An apprenticeship must provide for a practical period of work and training that lasts for a minimum duration of 12 months. This is after the content, duration and price has been adjusted to recognise prior learning (see paragraphs E18 to E19). For example, to satisfy this requirement, an apprentice who starts their training on 1 August 2022 must still be receiving training on 31 July 2023.
- E28.1** The [apprenticeship standard](#) specification or assessment plan may require this practical period of training to be longer, to support the delivery of the full apprenticeship content.
- E28.2** The apprentice must be involved in active learning (off-the-job training and / or English and maths) throughout the apprenticeship, from the learning start date to the learning actual end date (i.e the practical period). Some active learning must take place at least every 4 weeks (or a break in learning must be used).
- E28.2.1** Where the apprentice takes a break in learning and then returns, to the same apprenticeship, the apprenticeship agreement must be revised, to account for the duration of the break. It must be clear that there have been multiple episodes of learning. The overall duration of the apprenticeship and the required volume of off-the-job training can remain the same (as though there had been no break in learning).
- E28.3** The end-point assessment can only be taken after the minimum duration has been met. Your training provider must confirm this as part of the gateway checks.
- E28.4** The minimum duration of each apprenticeship is based on the apprentice working at least 30 hours a week, including any off-the-job training they undertake.
- E28.4.1** Working fewer than 30 hours a week (see paragraph E29) or being on a zero-hours contract (see paragraph E30) must not be a barrier to successfully completing an apprenticeship.
- E28.4.2** We will monitor working hours data and patterns of behaviour to ensure that sufficient off-the-job activity is undertaken to ensure successful completion of the apprenticeship, regardless of the number of hours worked.

## **Part-time employment hours (<30 hours per week)**

- E29** If, at the beginning the of the programme, the apprentice works fewer than 30 hours a week, your main provider must extend the expected duration of the apprenticeship on the ILR (pro rata) to take account of this. You must also extend the dates on the apprenticeship agreement and training plan.
- E29.1** Where a part-time working pattern is applicable, you must agree with the main provider and the apprentice the extended apprenticeship duration. The minimum duration must be extended using one of the following formulas:
- E29.1.1**  $12 \times 30 / \text{average weekly hours} = \text{new minimum duration in months; or}$
- E29.1.2**  $52 \times 30 / \text{average weekly hours} = \text{new minimum duration in weeks.}$
- E29.2** The apprentice must work enough hours each week so that they can undertake sufficient regular training and any on-the-job activity (if required). This is to ensure the apprentice is likely to successfully complete their apprenticeship. Your main provider must keep evidence of the agreed average weekly hours, including time spent on off-the-job training, in the evidence pack.
- E29.3** You must allow the apprentice to complete the off-the-job training within their normal working hours, in addition to any English and maths training they require. You must provide the main provider with evidence of this for them to keep in the evidence pack.
- E29.4** Where there is a change of circumstance to the working hours of the apprentice during the programme, please see paragraphs E281 to E284.

## **Zero hours contracts**

- E30** Zero-hours contracts are acceptable only where all of the other funding rules can be met.
- E30.1** For an apprentice with a zero-hour contract your main provider must extend the duration of the apprenticeship in proportion to the hours they work.
- E30.2** You must allow the apprentice to complete the off-the-job training within their normal working hours, in addition to any English and maths training they require. You must provide the main provider with evidence of this for them to keep in the evidence pack.

## **Episodes of learning below the minimum duration requirement**

- E31** The only circumstances in which an episode of apprentice learning can fall below the minimum duration requirement are where an apprentice:
- E31.1** Is made redundant with more than six, but less than 12 months remaining before their final day. In these cases, 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;

**E31.2** Transfers onto a newer version of the same apprenticeship standard (where the ST standard code remains the same);

**E31.3** Transfers between main providers but remains on the same apprenticeship standard; or

**E31.4** Returns to the same apprenticeship after a break in learning or withdrawal.

**E32** For the circumstances described in paragraph E31 above, your main provider must have evidence that the total amount of time spent on the apprenticeship, which may include more than one episode of learning, meets the minimum duration requirement.

## Off-the-job training

### **New for 1 August 2022**

**E33 to E48** - Restructure: New sub-headings have been added to break up the section and some text moved within the section, to aid flow. The commitment statement has been renamed as training plan throughout.

**E34.2** - Clarification: That activities such as shadowing and mentoring can be included as off-the-job training, where this activity has been agreed and documented as part of the agreed training plan.

**E34.3** - Clarification: We have deleted the word 'assessments'. **New for version 1.**

**E35.1** - Clarification: That time spent on initial assessment and onboarding activities do not count towards off-the-job training.

**E36 to E37**- New rules: We have amended the off-the-job training policy to remove the link to the apprentice's working hours (for full-time apprentices). The new minimum off-the-job training requirement for a full-time apprentice is 20% of a 30 hour week (even where the apprentice works more than 30 hours per week for an employer); this equates to an average of 6 hours of off-the-job training per week. The minimum requirement for a part-time apprentice remains unchanged (i.e 20% of their normal working hours over an extended duration). This policy change only applies to new starts from 1 August 2022.  
**Updated for version 1.**

**E38** – Clarification: We have made it clear that despite the (new) minimum off-the-job training requirement, the volume of training hours delivered must be supported by the initial assessment. Some apprentices and standards will need more than the minimum requirement.

**E40** - Clarification: For apprentices with term time only contracts (. such as those in the teaching profession), we have clarified how off-the-job training is calculated.

**E40.2.1** - New rule: For those apprentices with a term-time only contract, if there is no planned activity (active learning) over the 6 week summer holiday we do not require a

break in learning. This is the only exception to the active learning / break in learning rules.  
**New for version 1.**

**E42** - New rule: If planned off-the-job training hours have been submitted in the ILR for the apprentice, actual off-the-job training hours must also be submitted in the ILR, at the end of the practical period or where the apprentice leaves the apprenticeship early as a non-completer; this includes current learners on programme as of 31 July 2022. **Updated for version 1.**

**E43.1** - Clarification: We've clarified that if off-the-job training must, by exception, take place outside of the apprentice's normal working hours, the apprentice must agree and must be compensated for this (text taken from OTJ guide).

**E45** - Clarification: We have clarified how 'active learning' and 'front-loading' can work together. **Updated for version 1.**

**E45.3.1** - Clarification: Where catch-up training is delivered over a shorter period, your provider must ensure the apprentice still receives the minimum number of hours required to meet the off-the-job training policy.

**E46** - Clarification: To confirm that the main provider is responsible for retaining evidence to support both their own delivery and that of others. In both cases, evidence must be quantifiable and must meet the off-the-job training definition.

**E46.1.1** - New content: A template evidence form has been made available on GOV.UK. It is not mandatory to use this template.

Flowchart: This has been updated to reflect the new minimum requirement.

## What is off-the-job training?

**E33** Off-the-job training is a statutory requirement for an English apprenticeship.

**E33.1** It is training which is received by the apprentice within their practical period, during the apprentice's normal working hours, for the purpose of achieving the knowledge, skills and behaviours of the approved apprenticeship that is referenced in the apprenticeship agreement. By normal working hours we mean the hours for which the apprentice would normally be paid, excluding overtime.

**E33.2** It is not on-the-job training, which is training received by the apprentice for the sole purpose of enabling the apprentice to perform the work for which they have been employed. By this we mean training that does not specifically link to the knowledge, skills and behaviours set out in the apprenticeship.

**E33.3** Further information about [off-the-job training](#) can be found on GOV.UK.

## What can be included?

**E34** Off-the-job training must deliver new skills that are directly relevant to the apprenticeship standard. It can include the following:

- E34.1** the teaching of theory (e.g. lectures, role playing, simulation exercises, online learning and manufacturer training);
- E34.2** practical training, shadowing, mentoring, industry visits and participation in competitions, where the activity has been agreed and documented as part of the agreed training plan; and
- E34.3** learning support and time spent writing assignments.

### What must not be included?

**E35** Off-the-job training must not include:

- E35.1** Time spent on the initial assessment and on onboarding activities (see glossary for definitions);
- E35.2** English and maths training, up to and including level 2. Where this is required this must be delivered in addition to the minimum off-the-job training requirement;
- E35.3** Training to acquire knowledge, skills and behaviours that are not required by the apprenticeship standard;
- E35.4** Progress reviews or on-programme assessments; or
- E35.5** Training which takes place outside the apprentice's normal working hours, unless the apprentice has been paid for these hours or been given time off in lieu (see paragraph E43.1).

### Calculating off-the-job training

**E36** **Full-time apprentices (those that work 30 hours per week or more):** To be eligible for government funding at least 20% of the apprentice's normal working hours, capped at 30 hours per week (for funding purposes only), over the planned duration of the apprenticeship practical period, must be spent on off-the-job training.

- E36.1** This means that the minimum requirement, for apprentices working 30 hours or more per week is an average of 6 hours of off-the-job training per week (i.e. 20% of 30 hours) over the planned duration.
- E36.2** When calculating the required amount of off-the-job training, the apprentice's [statutory leave entitlement](#) must be deducted. Employees who work a 5-day week receive at least 28 days paid leave (20 days annual leave plus 8 bank holidays); this is the statutory leave entitlement referred to in this paragraph and is the equivalent of 5.6 weeks of holiday.
- E36.3** Therefore, for a full-time apprentice following a 12 month apprenticeship, off-the-job training is delivered over 46.4 weeks (52 weeks minus 5.6 weeks of statutory leave).
  - E36.3.1** This provides, as a minimum, 278 hours of off-the-job training (46.4 weeks x 6 hours).

**E36.3.2** This formula must be adapted for longer duration apprenticeships (the example given above is for a 12 month apprenticeship standard).

**E37** **Part-time apprentices (those that work less than 30 hours per week):** If the apprentice works less than 30 hours per week, they are considered to be part-time and their duration must be extended (using the formula set out in paragraph E29).

**E37.1** To be eligible for government funding at least 20% of the apprentice's normal working hours, over this planned and extended duration of the apprenticeship practical period, must be spent on off-the-job training.

**E37.2** When calculating the required amount of off-the-job training, the apprentice's statutory leave entitlement must be deducted (pro-rata for part time workers).

**E37.3** Overall, the minimum off-the-job training requirement for a part-time apprentice must be no less than the minimum off-the-job training requirement for a full-time apprentice (**i.e. a minimum of 278 hours for a 12 month apprenticeship**). Less training is delivered on average per week over an extended duration.

**E37.3.1** For example, for a part-time apprentice working 15 hours per week, who is following a typical 12 month apprenticeship standard: the planned duration would be extended to 24 months and the minimum requirement would therefore be an average of 3 hours of off-the-job training per week (over the new and extended planned duration).

**E37.3.2** This formula must be adapted for longer duration apprenticeships.

**E38** The volume of training hours your main provider plans to deliver must be supported by the initial assessment.

**E38.1** Some apprentices and standards will need more than the minimum requirement . Apprentices must receive the volume of high-quality apprenticeship training that they need to develop full occupational competence.

**E38.2** It must be clear to all parties how your main provider has worked out the amount of off-the-job training required by the apprentice, and they must record this in the evidence pack.

**E39** The requirements set out above are for calculation purposes only; once the volume of off-the-job training is calculated, you and the main provider must agree when, where and how the off-the-job training is delivered within the apprentice's practical period (see paragraphs E43 to E45).

**E39.1** The practical period begins on the learning start date and ends on the learning actual end date (this date is also known as the final day or the

gateway). Off-the-job training must not take place beyond this date (i.e. gateway), in the end-point assessment period of an apprenticeship.

### Apprentices with term-time only contracts

**E40** The off-the-job training requirement for an apprentice with a term-time only contract (e.g. such as those in the teaching profession) should be no less, as a minimum, than any other apprentice. Term-time apprentices must also meet the minimum duration requirement.

**E40.1** Off-the-job training is calculated as though the apprentice is working 52 weeks per year (minus statutory leave). Once the calculation is made, the training can be delivered across the weeks specified in the term-time only contract (usually 39 contact weeks), if this is what has been agreed between the employer and main provider.

**E40.2** This will mean delivering more than an average of 6 hours per week (for a full time apprentice) during term-time in order to meet the minimum requirements of the off-the-job training policy.

**E40.2.1** For those apprentices with a term-time only contract, if there is no planned activity over the 6 week summer holiday we do not require a break in learning. This is the only exception to the active learning / break in learning rules.

### **Documenting off-the-job training**

**E41** The number of planned off-the-job training hours, for the full apprenticeship, must be clearly documented on the apprenticeship agreement and the training plan (these must be separate documents). It must also be documented on the individualised learner record (ILR); your main provider must not change the planned off-the-job training hours figure on the ILR once submitted (except for a data input error at the beginning of the programme).

**E42** If planned off-the-job training hours have been submitted in the ILR for the apprentice, actual off-the-job training hours must also be submitted in the ILR, at the end of the practical period or where the apprentice leaves the apprenticeship early as a non-completer; this includes current learners on programme as of 31 July 2022.

### **Delivering off-the-job training**

**E43** Off-the-job training must take place within the apprentice's normal working hours. By normal working hours we mean their paid hours excluding overtime.

**E43.1** If off-the-job training must, by exception, take place outside of the apprentice's normal working hours (e.g. in an evening or at a weekend, for an apprentice that normally works Monday to Friday 9am until 5pm), the apprentice must agree to this arrangement and you must compensate them for this time (e.g. through time off in lieu or by paying them for this time). The majority of the programme must not be delivered in this way.

- E44** Within the apprentice's normal working hours, it is up to you and the main provider to discuss, agree and document when, where and how the off-the-job training is delivered. It can:
- E44.1** Include training that is delivered at the apprentice's normal place of work (but away from their productive job role);
  - E44.2** Be delivered evenly over the duration of the apprenticeship (e.g. regular day release) or it can include block release (including front loaded training); or
  - E44.3** Include interactive online learning (virtual classrooms) or self-directed distance learning. The entire apprenticeship must not be fully delivered by self-directed distance learning.
- E45** The apprentice must be involved in active learning (off-the-job training or English and maths training) throughout the apprenticeship, from the learning start date to the learning actual end date (the practical period).
- E45.1** A break in learning must be used where there is no active learning for 4 weeks or more. A break in learning can be with or without a break from work (see paragraphs E244 to E248.3). (See paragraph E40.2.1 for an exception for those on a term-time only contract).
    - E45.1.1** You and the apprentice must revise the date in the apprenticeship agreement on which the apprenticeship was expected to have been completed to account for the duration of the break.
  - E45.2** Training can still be front-loaded at the beginning of the apprenticeship, delivered in 'blocks', or delivered around employer peak periods, provided there is some planned learning activity every 4 weeks in order to keep the apprentice engaged.
    - E45.2.1** Active learning does not need to be face to face delivery by the training provider; it can also include, for example, mentoring by the employer (where this activity has been agreed and documented as part of the agreed training plan), virtual classrooms, online learning or the apprentice completing an assignment.
    - E45.2.2** The activity must meet the definition of off-the-job training or be English and maths training.
  - E45.3** If planned off-the-job training is unable to take place as scheduled, you and the main provider must ensure this is re-arranged or replanned so that the full complement of training set out in the training plan can still be delivered.
    - E45.3.1** Where catch-up training is delivered over a shorter period than originally anticipated in the training plan, for example by one-to-one delivery, your main provider must ensure they still meet the minimum requirements of the off-the-job training policy.



- E45.4** Apprentices on maternity, adoption or shared parental leave may use their statutory keep in touch (KIT / SPLIT) days to continue with off-the-job training during their period of leave (please refer to paragraphs E257 to E265 for further information).

### **Evidencing off-the-job training**

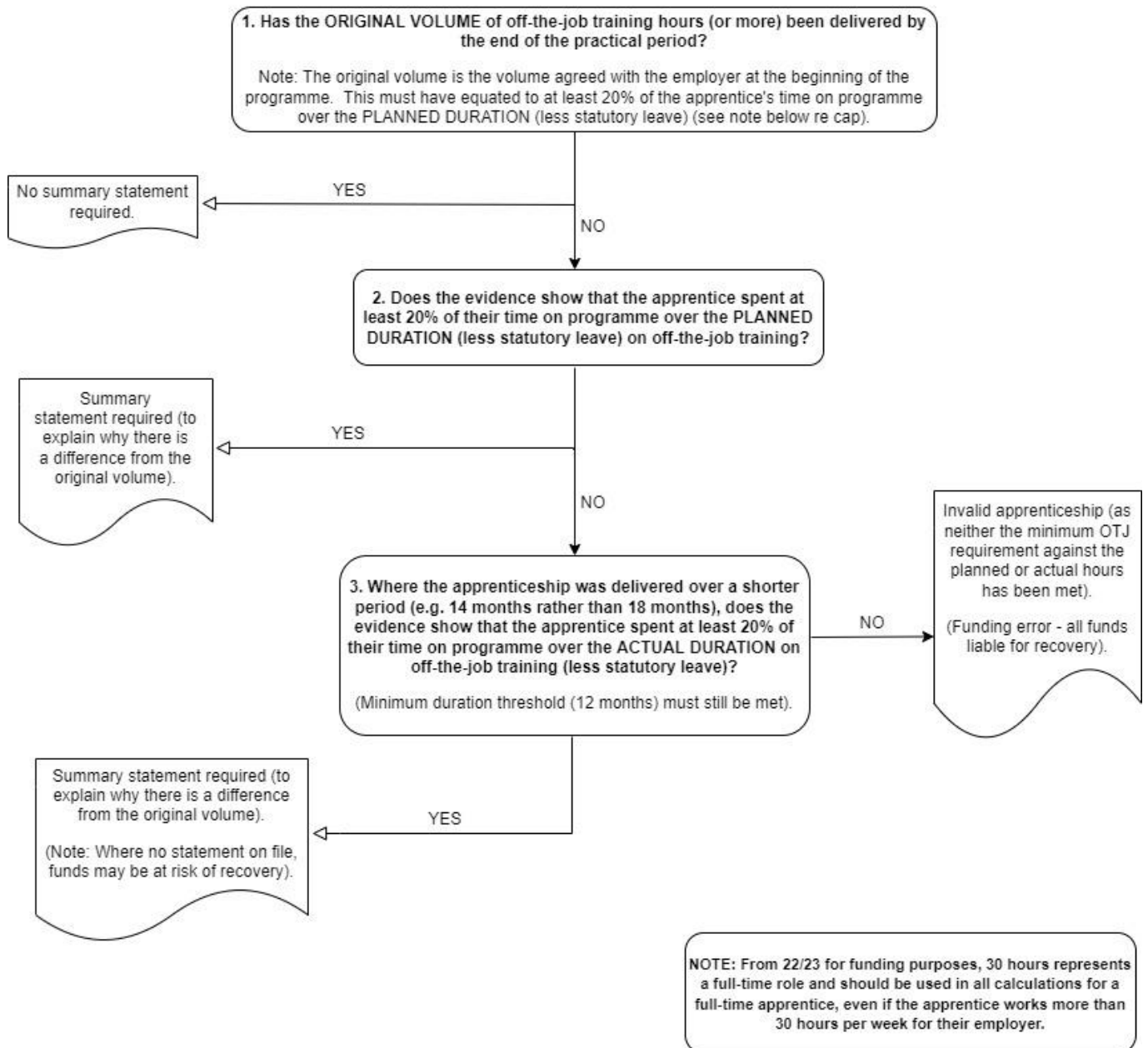
- E46** Your main provider is responsible for retaining evidence to support both their own delivery and that of others.
- E46.1** The evidence must be quantifiable and must also meet the off-the-job training definition (namely that the activity is directly relevant to the apprenticeship, teaches new knowledge, skills and behaviours; takes place in the apprentice's normal working hours; and is not English and maths up to Level 2).
- E46.1.1** A [template evidence form](#) is available on GOV.UK. It is not mandatory to use this template.

### **Planned hours agreed at the beginning of the programme versus actual hours delivered**

- E47** At the end of the programme, if the actual volume of off-the-job training hours delivered is less than the original volume of planned hours (agreed with you and the apprentice at the beginning of the programme), your main provider must produce a statement to summarise the following information:
- E47.1** The original volume of planned hours (as documented on the original apprenticeship agreement and the original training plan and recorded in the planned hours field of the ILR). This volume must have met the minimum policy requirement over the planned duration of the programme (see paragraphs E36 to E37) but may have been more than this minimum requirement.
- E47.2** The actual hours of off-the-job training delivered (as supported by proof of delivery in the evidence pack and recorded in the actual hours field of the ILR).
- E47.3** The volume difference between these two figures.
- E47.4** The reason for this difference (e.g. further prior learning may have been identified part way through the apprenticeship, therefore requiring less training overall).
- E47.5** Confirmation that the actual off-the-job training hours delivered met the minimum policy requirement over the apprentice's actual time on programme.
- E47.6** Confirmation that the apprenticeship met the minimum duration.
- E48** You and apprentice must countersign this statement if you both agree with and are satisfied by the quantity of training that was delivered, even though this is different to (less than) the original volume agreed at the beginning of the apprenticeship.

- E48.1** The summary statement must align with changes made in the training plan. The statement serves only as a summary of these volume changes (between the original training plan and the final training plan) and is not a substitute for the training plan content being updated, where necessary, on an ongoing basis (e.g. as a result of progress reviews) (see paragraph E49.6).
- E48.2** Where a signed summary statement is required (see flowchart below), this should be completed and signed by the relevant parties and made available as part of the evidence pack within 12 weeks of the apprentice completing their apprenticeship.
- E48.3** Where a signed summary statement is required and this is not available in the evidence pack, funds may be at risk of recovery.
- E48.4** If the apprentice has spent less than the minimum policy requirement (over their actual duration) on off-the-job training, then the programme is not a valid apprenticeship and all funding is at risk of recovery.

## Flow chart: Where actual off-the-job training is less than the original plan



## The training plan between the apprentice, employer and main provider

### New for 1 August 2022

**E49 to E51** - Restructure: We have changed the name of the commitment statement to training plan throughout this section (and the funding rules document).

**E49.2** - New rule: The training plan must not include any content that has been identified and agreed with the employer, as relevant prior learning.

**E49.3 and E50.6.3** - New rules: The training plan must be agreed before any training is delivered. We accept that for longer programmes (i.e. 12 months +) these details may not yet be finalised and the plan may initially only detail the first year; in these circumstances the training plan should be updated as the information becomes available. **Updated for version 1.**

**E49.4** - Clarification: That funding can only be claimed from the date on which evidence of learning activity can be provided.

**E50.2.1** - Clarification: The training plan must be updated to include the end-point assessment organisation no later than 6 months before the learning planned end date (rule replicated from the EPA section).

**E50.5 to E50.6** - New rules: We require that the training plan documents when and how components of the programme will be delivered and that where apprenticeship funding is being accessed, this party must be on the Register of Apprenticeship Training Providers (unless the exemption at E150.3 applies). **Updated for version 1.**

**E51** - New rule: That funds will be at risk if your main provider is not able to show, upon request, an up to date training plan and current progress towards this training plan.

- E49** You, the apprentice and the main provider must contribute to, agree and sign a copy of the training plan (previously called a commitment statement).
- E49.1** This must set out the training (including the volume off off-the-job training hours) that will be delivered in the practical period and document how all three parties (apprentice, employer and main provider) will support the achievement of the apprenticeship.
- E49.2** The training plan must not include any content that has been identified and agreed with you as relevant prior learning (see paragraph E18).
- E49.3** The training plan must be agreed before any training is delivered (see paragraph E50.6.3).
- E49.4** Funding can only be claimed from the date on which learning activity that is directly related to the apprenticeship and documented in the training plan begins and can be evidenced.

- E49.5** The training plan and apprenticeship agreement must be separate documents (each document has different signature requirements and the training plan is likely to be updated more frequently).
- E49.6** The training plan must be kept up to date with any material changes (e.g. as a result of a change of circumstance or any changes that are agreed at a progress review).
- E49.7** All parties must keep a current signed and dated version of the training plan. The main provider must keep their version (and previous versions) in the evidence pack.

**E49.7.1** A template [training plan](#) is available on GOV.UK. It is not mandatory to use this template. Where you use an alternative, it must comply with E50 below.

**E50** The training plan must set out:

**E50.1** The name of the apprentice, their job role and their normal working hours. By normal working hours we mean their paid hours excluding overtime.

**E50.2** Details of all relevant parties (your details, the main provider (and any subcontractors involved in the delivery of training) and the end-point assessment organisation).

**E50.2.1** We recognise that while the end-point assessment organisation may not be known at the start of the apprenticeship. The training plan must be updated to include these details as soon as they have been confirmed. This should be no later than 6 months before the learning planned end date (see paragraph E135).

**E50.3** Details of the apprenticeship, including the name of the apprenticeship standard, the level, the start and end dates for both the apprenticeship and the practical period of training (see paragraph E23).

**E50.3.1** The practical period start date set out in the training plan must align with the practical period start date in the apprenticeship agreement and the learning start date in the ILR.

**E50.4** The volume of off-the-job training hours that will be delivered. This must at least meet the minimum policy requirement (see paragraphs E34 to E37).

**E50.4.1** The results of the individual's initial assessment, including recognition of prior learning, must be taken into account before developing the training plan.

**E50.5** For the full programme, a brief description (2-3 sentences) to describe the delivery model (i.e. frequency and mode of delivery). Frequency may include regular delivery through day release or block release (including front loaded training). The mode of delivery may include 1:1 instruction,

cohort attendance at the training provider, virtual classrooms or self-directed distance learning.

- E50.6** The planned content / units of delivery.
- E50.6.1** For standards without a mandatory qualification this must be a description of the activities that the apprentice will undertake to develop occupational competency.
- E50.6.2** For standards with a mandatory qualification this must be, as a minimum, a list of the units, along with a description of any additional activities that the apprentice will undertake to develop occupational competency.
- E50.6.3** Details of when content will be delivered. We accept that for longer programmes (i.e. 12 months +) these details may not yet be finalised and the plan may initially only detail the first year; in these circumstances the training plan should be updated as the information becomes available. This equally applies where an apprentice may have optional aspects available to them at a later point in the apprenticeship.
- E50.6.4** Details of the party responsible for each component's delivery; this may include the main provider, a subcontractor, or the employer. Where this party is accessing apprenticeship funding for the delivery, they must be on [the Register of Apprenticeship Training Providers](#) (unless the exemption at paragraph E150.3).
- E50.6.5** It must be clear if the component has been used towards the off-the-job training calculation.
- E50.7** An agreement of what is required from and offered by you, the apprentice and the main provider (and any delivery subcontractors) to achieve the apprenticeship (i.e. roles and responsibilities) and details of how all parties will work together. This must include the contact details of each party.
- E50.8** Written confirmation that you will allow the apprentice to undertake off-the-job training within their normal working hours, in addition to English and maths training if required.
- E50.9** Summary details of progress reviews (involving you, the main provider, and apprentice), including the frequency and format, to discuss progress to date against the training plan and the immediate next steps required (see paragraphs E52 to E53).
- E50.10** 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 [Apprenticeship Service Support](#) on 08000 150 600 or [helpdesk@manage-apprenticeships.service.gov.uk](mailto:helpdesk@manage-apprenticeships.service.gov.uk).

- E51** Funds will be at risk if your main provider is not able to show, upon request, an up to date training plan (that meets the minimum requirements) and evidence to demonstrate current progress towards this plan.

## Progress reviews

### New for 1 August 2022

**E52 to E53** - New rules: We have added a progress review section and documented the minimum requirements of this activity. **Updated for version 1.**

- E52** A progress review, to discuss the progress to date of the apprentice against their training plan, must be carried out at least every 12 weeks. This should be a three-way discussion involving the main provider, employer and the apprentice, so that there is a shared understanding of progress against the full apprenticeship.
- E52.1** This is different to the required monthly check associated with learning support funding (see paragraph E66).
- E53** The minimum requirement of the progress review is that it will:
- E53.1** Check progress against any actions agreed at the previous review, including any training that has been delivered since the last review;
- E53.2** Allow for any off-the-job training evidence, particularly that which is outside of the main provider's control, to be discussed, agreed, collected, or documented;
- E53.3** Check overall progress of the apprentice against their agreed training plan, documenting any slippage against the volume of planned off-the-job training;
- E53.4** Provide for an opportunity to update the training plan (e.g. where it is necessary to replan any off-the-job training that was missed or not delivered);
- E53.5** Discuss any concerns that you, the main provider or the apprentice have;
- E53.6** Discuss any new information / potential changes of circumstance that might impact on the training plan. This could include any additional training required, or any additional prior learning or learning support needs that have come to light since the original initial assessment and / or the last progress review. Changes to the training plan may require the price to be renegotiated; and
- E53.7** Agree and document actions for the next review. The record of the progress review must be signed and dated by all parties (apprentice, employer, main provider).

## Who can be funded?

### Individuals who are eligible for funding

#### New for 1 August 2022

We have moved the rule that relates to financial contributions by an apprentice to a new subsection under 'Paying for an apprenticeship'.

Due to the increase in home-working, we are reviewing the rules on time spent working in England and will update the rules in due course.

We have moved the rule that relates to an apprentice becoming unemployed or self-employed during the apprenticeship to the 'Individuals who are not eligible for funding' section.

- E54** You can only use funds in your apprenticeship service account, or government-employer co-investment, for those who are eligible. You must give the main provider evidence of the individual's eligibility.
- E55** To use funds in your apprenticeship service account or government-employer co-investment, the individual must:
- E55.1** Start their apprenticeship after the last Friday in June of the academic year in which they have their 16th birthday.
  - E55.2** 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.
  - E55.3** 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 has been funded by a student loan, the loan must be terminated.
  - E55.4** Spend at least 50% of their working hours in England over the duration of the apprenticeship.
    - E55.4.1** When determining eligibility at the start of the apprenticeship, you must be confident that the apprentice will spend at least 50% of their working hours in England over the duration of the apprenticeship. For working hours to be counted in the 50% limit, they must be regular, planned and known at the start of the apprenticeship Refer to Annex A (paragraph E328) for exceptions to this rule.
    - E55.4.2** You must make separate arrangements with the relevant devolved administration if you are planning to deliver apprenticeships to individuals who spend more than 50% of their working hours in a devolved administration over the duration of their apprenticeship, including time spent on off-the-job training.
  - E55.5** Have the right to work in England.



- E55.6** Have an eligible residency status (information can be found in the residency eligibility section in Annex A).
- E56** You can only use funds from your apprenticeship service account or government-employer co-investment for apprentices employed by you or a [connected company or charity](#) as defined by HMRC. You must provide evidence of employment to the main provider. This also applies where the apprentice is funded by a transfer of funds from another employer.
- E57** We will fund an apprentice to undertake an apprenticeship at a higher level than a qualification they already hold, including a previous apprenticeship.
- E58** 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.
- E59** The age of the apprentice on the day they start their apprenticeship will be used for all age-based eligibility criteria for that apprenticeship.
- E60** An apprentice's eligibility will not change during the apprenticeship unless their employment status also changes.
- E61** If an apprentice is made redundant, we will continue to fund their training, even if they cannot find another employer, in the circumstances below:
- E61.1** Apprentices who are made redundant on or after 15 October 2020 and are either within six months of the final day of the apprenticeship practical period OR they have completed at least 75% of the apprenticeship practical period. These apprentices will be funded to completion (subject to the conditions set out in paragraph E255).
- E61.2** Apprentices who do not meet the conditions of paragraph E61.1 above. We will fund the training of these apprentices for 12 weeks while they seek a further apprenticeship agreement (see paragraph E256).

## Individuals who are not eligible for funding

### New for 1 August 2022

**E65.1** - Clarification: The government intends to bring forward legislation later in the year to allow prisoners to access apprenticeship opportunities.

**E65.2** - New rule: To reflect that individuals who are self-employed as a sole trader are ineligible for funding (this previously said self-employed).

**E65.3** - New rule: To reflect that a shareholder / director with no separate identifiable line-manager to undertake the role of 'employer' is ineligible for funding. The same person must not sign the apprenticeship agreement as both the apprentice and the employer

**E65.3.1** - New rule: To reflect that if during their programme an apprentice becomes unemployed, self-employed as a sole trader, or becomes a shareholder / director with no

separate identifiable person to undertake the role of employer, they will no longer be eligible for funding and must be reported on the ILR as having withdrawn from the apprenticeship.

**E62** You must not use funds in your apprenticeship service account 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). Individuals who do not meet the eligibility criteria include those who:

**E62.1** Are here illegally;

**E62.2** Are resident in the United Kingdom on a student visa unless they are eligible through meeting any other of the categories described in Annex A;

**E62.3** Are in the United Kingdom on holiday, with or without a visa;

**E62.4** Have overstayed their immigration or visitor visa;

**E62.5** Are a family member of a person granted a student 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;

**E62.6** Are ordinarily resident in the Channel Islands or Isle of Man, unless they are also ordinarily resident within England; or

**E62.7** Have a biometric residence permit or residence permit imposing a study prohibition or restriction on the individual.

**E63** To use funds in your account or government-employer co-investment, the individual must not:

**E63.1** Be undertaking another apprenticeship;

**E63.2** Be undertaking training funded through the Adult Education Budget (AEB), where that training will:

**E63.2.1** Replicate vocational and other learning aims covered by the apprenticeship, including English and maths;

**E63.2.2** Offer career related training that conflicts with the apprenticeship aims; or

**E63.2.3** Be taking place during working hours. Where an apprentice has more than one job, working hours refers to the hours of the job the apprenticeship is linked to.

**E63.3** Be in receipt of any other direct DfE funding during their apprenticeship programme; this includes any other DfE funded FE / HE programme including programmes funded by a student loan, but excludes funding outlined in E63.2; or

- E63.4** Undertake any part of an apprenticeship whilst on a sandwich placement as part of a degree programme.
- E64** As an exception to E63.2, an individual may commence an apprenticeship and attract funding, where they have less than four weeks to completion of an existing DfE funded course.
- E65** To use funds in the employer's apprenticeship service account or government-employer co-investment, the individual must also not be:
- E65.1** A prisoner in custody or a prisoner released on temporary license.
- E65.1.1** The policy of the Ministry of Justice is that prisoners, both in custody and released on temporary license, cannot sign a contract of employment. As this cohort is not covered under the Alternative English apprenticeship arrangements, they are not eligible for funding (see paragraphs E25 to E26).
- E65.1.2** The government intends to bring forward legislation later in the year to allow prisoners to access apprenticeship opportunities.
- E65.2** Self employed as a sole trader (a person who conducts business by their own personality and not with any other corporate personality).
- E65.3** A shareholder/director with no separate identifiable line manager to undertake the role of 'employer', as defined by these funding rules. By this we mean it is prohibited for someone to sign a contract, including an apprenticeship agreement, as both the apprentice and as the employer (even where a limited company, public services company, a partnership, or limited liability partnership has been created to act as a separate corporate entity).
- E65.3.1** During the programme, if an apprentice becomes unemployed, self-employed as a sole trader, or becomes a shareholder / director with no separate identifiable person to undertake the role of employer, 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 paragraph E61.

## **Apprentices who need access to learning support**

- E66** We will provide learning support funding to meet the costs of putting in place reasonable adjustments, as set out in section 20 of the [Equality Act 2010](#), for apprentices who:
- E66.1** Have a learning difficulty or disability as defined in Section 15ZA(6) of the [Education Act 1996](#) (as amended by section 41 of the Apprenticeships, Skills, Children and Learning Act 2009); and

- E66.2** As a result of this learning difficulty or disability, require reasonable adjustments in order to be able to complete their apprenticeship, including any reasonable adjustments to complete English and maths requirements and end-point assessment.
- E66.3** This can be claimed by your main provider for the period it is required. This will not be deducted from your apprenticeship service account or require employer co-investment.
- E67** A learning difficulty or disability that does not require reasonable adjustments or cannot be evidenced as directly impacting on the apprentice's ability to complete their apprenticeship will not be eligible for learning support funding. Learning support is not available:
  - E67.1** To deal with everyday difficulties, which includes the definition as per Section 15ZA(7) of the [Education Act 1996](#), that are not directly associated with an apprenticeship. (If an apprentice needs help at work, they may be able to get help from [Access to Work](#)).
  - E67.2** To address any learning gaps in an apprentice's prior knowledge, skills, or behaviours where these are relevant to their apprenticeship, but where there is no identified learning difficulty or disability in respect of obtaining this learning
  - E67.3** Where there are no costs incurred in putting in place reasonable adjustments.

## Flexi-Job Apprenticeship Agency (FJAA)

### New for 1 August 2022

**E68 to E77** - New rules: To reflect the launch of the Register of Flexi-Job Apprenticeship Agencies, this new section details the rules for these organisations.

- E68** A FJAA is an organisation whose main business is employing apprentices who are made available to other employers. FJAAs are targeted at sector or professions where existing employment models present a structural barrier to the traditional apprenticeship route.
- E69** In order to operate as a FJAA, organisations must apply to join the Register of Flexi-Job Apprenticeship Agencies.
- E70** A FJAA must be set up as a distinct legal entity so that apprentices can have contracts of employment with the FJAA.
- E71** The main provider must report in the ILR that the apprentice is employed by a FJAA.
- E72** You must report in your apprenticeship service account that the apprentice is following the FJAA model (i.e. they are going on placements with host employers). Should you employ any apprentices that are not following this model (i.e. they are not being placed with host employers and their role is solely based with the FJAA) then you must not flag these as being a FJAA apprentice.

- E73** Apprenticeship positions offered by a FJAA must comply with the apprenticeship requirements set out in these rules. The FJAA is responsible for paying the apprentice their wages (through the PAYE scheme declared in the apprenticeship service account), however these costs can be reclaimed from the host employer(s).
- E74** Where you are a levy paying FJAA, the training and assessment costs are met by your own apprenticeship service account. Where you do not pay the apprenticeship levy, then you can reserve funds using the apprenticeship service account. More information on reservation of funds can be found in paragraphs E190 to E204.
- E75** Where there is a gap between placements with host employers, you must continue to employ and pay the apprentice. Where possible, your provider should continue training the apprentice (off-the-job training or English and maths) – where no learning is undertaken in a 4 week period then this must be treated as a break in learning (see paragraph E28.2).
- E76** Where you host an apprentice that is employed by a FJAA you must not use the funds in your apprenticeship service account to pay the training and assessment costs. The only exception to this is if you fund the apprenticeship via a transfer of levy funds, further details can be found in paragraphs E211 to E241. By agreeing to fund an apprenticeship via a transfer of levy funds, you are committing to fund the apprenticeship for the whole duration and not just for the period that you host the apprentice.

## Monitoring

- E77** We will be monitoring the performance of FJAAs and where organisations are not meeting the requirements set out for the Register of Flexi-Job Apprenticeship Agencies then we reserve the right to investigate and take action where necessary – this may include removing organisations from the register. We also hold the right to review and refresh the Register of Flexi-Job Apprenticeship Agencies.

## Apprenticeship training agency (ATA)

### **New for 1 August 2022**

This section of the rules is currently under review.

Following the launch of the Flexi-Job Apprenticeship Agencies, the Apprenticeship Training Agency (ATA) register is now closed.

**E83** - Clarification: To confirm that host employers can send transfers to ATAs to support apprenticeships.

- E78** An Apprenticeship Training Agency (ATA) is an organisation whose main business is employing apprentices who are made available to employers.
- E79** An ATA must be set up as a distinct legal entity so that apprentices can have contracts of employment with the ATA.

- E80** The main provider must report in the ILR that the apprentice is employed by an ATA.
- E81** Apprenticeship positions offered by an ATA must comply with the apprenticeship requirements set out in these rules. 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.
- E82** Where you are a levy paying ATA, these costs must be met from your own apprenticeship service account. Where you do not pay the apprenticeship levy, then you can access support for training and assessment through government-employer co-investment.
- E83** Where you host an apprentice that is employed by an ATA you must not use the funds in your apprenticeship service account to pay the training and assessment costs. The only exception to this is if you fund the apprenticeship via a transfer of levy funds; further details can be found in paragraphs E211 to E241. By agreeing to fund the apprenticeship via a transfer of levy funds, you are committing to fund the apprenticeship for the whole duration and not just the period that you host the apprentice.
- E84** Group training associations that offer an ATA service to employers must follow ATA-specific rules.

## What can be funded?

### Eligible costs

#### **New for August 2022**

We have removed the reference to the Hub.

**E87.1** - New rule: We have added initial assessment as an eligible cost.

**E87.2** - Clarification: We have added what we mean by off-the-job training costs (some text taken from the eligible costs consultation document). In relation to the costs of an employer supporting or mentoring an apprentice we have been clear that activity must be required by the standard and part of the agreed training plan. An employer can only receive funding for this activity if they are a supporting provider or an employer-provider (i.e. on ROATP).

**Update:** We have deleted the terminology of a licence to practise. For funding purposes a qualification will either be a mandatory qualification or a non-mandatory qualification and we have explained, as part of the off-the-job training cost, how these will be funded.

**Restructure:** We have moved the rule relating to self-directed distance learning to the off-the-job training section.

**E87.3.2** - Clarification: We have named the only standard that eligible accommodation costs relate to.

**E87.4.2** - New rule: We are limiting the costs associated with this area to one re-sit.

**E87.5** - New sub-heading: We have changed the heading of 'administration' to 'Programme governance, management and administration' to reflect the feedback from the eligible costs review that the included activities are not necessarily carried out by administrative staff. We have added in examples of what can be included in this section.  
**Updated for version 1.**

**E88.1** - Clarification: We have clarified that estimate EPA costs must not be entered into the ILR (rule already in the EPA section).

**E88.2** – Clarification: We have clarified that the majority of training providers will operate on commercial terms and will expect to create a surplus (profit) which is a legitimate approach to take. **Updated for version 1.**

**E89** - Clarification: All changes to the total negotiated price must be agreed with you. By this we mean TNP1 OR TNP2 (not just the total of the two fields together).

**E89** - New rule: We no longer require the actual delivery cost of the apprenticeship on the ILR and the apprenticeship service, where this figure is above the funding band. The price that your main provider enters into both the ILR and the apprenticeship service is the price that they are claiming from us (the maximum of the funding band minus the cost of any relevant RPL and any further discounts with the employer). They must enter the same price into the ILR and the apprenticeship service. They must make their own arrangements to collect any money due from you (the employer) if the actual value is above the funding band maximum.

**E85** Apprentices can only be enrolled against an apprenticeship standard once it is identified as 'approved for delivery' on the Institute for [Apprenticeships and Technical Education website](#).

**E85.1** New standards must have an EPAO in principle in place before public funding can be accessed for new apprentices.

**E85.2** The apprenticeship must be eligible to access public funds from your apprenticeship service account or government-employer co-investment before the individual starts.

**E86** Funds from your apprenticeship service account or government-employer co-investment must only be used for eligible costs directly related to the individual apprenticeship.

**E86.1** These funds must only be used to pay for training and assessment, including end-point assessment, to complete an apprenticeship that is eligible for funding up to the limit of the funding band.

**E86.2** For organisations that have been accepted onto the [Register of End-Point Assessment Organisations](#), eligible costs for end-point assessment are set out in the [Conditions of Acceptance](#) document.

**E86.2.1** Your main provider must not include the direct costs of end-point assessment in the TNP1 field on the ILR.

**E87** For main providers eligible costs for the delivery of training and on-programme assessment, are limited to the following:

## **E87.1 Initial assessment**

**E87.1.1** Initial assessment to confirm learner and programme eligibility (see paragraphs E16 to E17).

**E87.1.2** Administration related to the subsequent enrolment (onboarding) of the apprentice. This can include the collection of evidence to support the initial assessment, supporting you with your apprenticeship service account and to complete the apprenticeship agreement; and developing and agreeing the training plan with you and the apprentice.

## **E87.2 Off-the-job training**

**E87.2.1** Off-the-job training that meets the definition in paragraphs E34 to E35, delivered through a main provider, a supporting provider, or an employer-provider (who must only claim actual costs). This can include:

- Relevant tutor costs (i.e. salary, on-costs, travel and subsistence claims). By on-costs we mean employer pension contributions and national insurance. Travel and subsistence costs must directly relate to apprenticeship delivery.
- Delivery location costs (i.e. room hire or a proportionate contribution to the necessary facilities and overheads), that enable the delivery of off-the-job training to take place.
- Learning materials used in the delivery of the apprenticeship (e.g. printed, audio / visual and electronic / interactive materials), including any relevant software licenses to access these materials where the licence cost is at apprentice level. Learning materials can be developed in-house or bought from a third party and can be refreshed periodically (e.g. to respond to revisions in the standard, learner and employer feedback).
- Training associated with a mandatory qualification. Mandatory qualifications that comply with the mandatory qualifications policy will be fully funded; by this we mean we will fund the training content plus any peripheral costs such as registration, on-programme assessment, examination and certification (see paragraph E87.4.2).
- Relevant training associated with a non-mandatory qualification. For a non-mandatory qualification we will only fund relevant training, where there is a clear overlap between the qualification and the



knowledge, skills and behaviours needed for the apprenticeship; we will not fund training that is not relevant to the standard, or the registration, on-programme assessment, examination, or certification costs.

- Costs of an employer supporting or mentoring an apprentice, where this is required by the standard and part of the agreed training plan; by this we mean the delivery of knowledge, skills and behaviours directly linked to the apprenticeship. The direct link must be documented as part of the off-the-job training evidence. The employer must be a supporting provider or an employer-provider who can receive apprenticeship funding (unless the exemption at paragraph E150.3 applies).

**E87.2.2** Additional learning required to re-sit an exam linked to either a mandatory qualification or an end-point assessment.

**E87.2.3** Costs of an apprentice taking part in any skills competition if you and the main provider have agreed that participation in the competition directly contributes to helping that individual achieve the apprenticeship.

### **E87.3 Materials and consumables**

**E87.3.1** Physical materials (non-capital items) used in the delivery of the apprenticeship. By this we mean the equipment or supplies necessary to enable a particular learning activity to happen (e.g. perishable ingredients for a catering apprenticeship). These items would not normally have a lifespan beyond the individual apprenticeship being funded. Personal protective equipment that is exclusively used in the training environment can also be included.

**E87.3.2** Accommodation costs for training delivered through residential modules where the residential training is a mandatory requirement for all apprentices. By mandatory we mean that there is a specific requirement written into the apprenticeship standard or the end-point assessment which would apply equally to any apprentice, regardless of their location, employer, or main provider (including subcontractors). (Note as at 1 August 2022 this cost relates only to the [Level 5 Advanced Dairy Technologist](#) standard).

### **E87.4 Peripheral costs including assessment**

**E87.4.1** Progress reviews involving you, the main provider and the apprentice, to collectively discuss progress to date of the

apprentice against the training plan and the immediate next steps required (see paragraphs E52 to E53).

**E87.4.2** Peripheral costs associated with a mandatory qualification. These include registration, formative on-programme assessment costs, examination and certification costs, plus the cost of one re-sit (per mandatory qualification) where needed.

**E87.5 Programme governance, management and administration**

**E87.5.1** Programme governance, management and administration costs directly linked to training and assessment, including the end-point assessment. This can include for example:

- The costs relating to lesson planning, quality assurance and the management of subcontractors.
- Proportionate salary and on-costs of staff who are directly involved in the programme governance, management and administration of the apprenticeship programme.
- Administration costs of arranging the end-point assessment.
- The costs of collecting and reporting employer co-investment and the costs of using an apprenticeship software system to return management information (e.g. salary and on-costs of management information staff and the software licences to operate the MI system).
- For the nursing associate apprenticeship only, the costs of hosting an external placement . Note that hosting fees are separate from the delivery costs of training and on-programme assessment during a placement (see paragraph E90.2).

**E88** The costs of taking part in any of the above activities may be included in the total negotiated price of training and on-programme assessment agreed by you and the main provider (and entered by the main provider in field TNP1 on the ILR).

**E88.1** You and the end-point assessment organisation agree the price of the end-point assessment (which is entered by the main provider in field TNP2 on the ILR only when the actual cost is known; estimate costs must not be entered).

**E88.2** The majority of training providers will operate on commercial terms and will expect to create a surplus (profit); a surplus ensures the financial viability of a business and can provide funds to e.g. fund ineligible costs, improve facilities and services and remain competitive. This is a

legitimate approach to take. Commercial training providers are able to make a surplus (profit) on eligible costs, except for:

**E88.2.1** Items that are procured from external sources. For example, if £500 of materials are bought by a main provider to be used in the delivery of a programme (e.g. perishable ingredients for catering apprenticeships), additional profit must not be charged on the £500 price of these materials.

**E88.2.2** Delivery that is procured from a supporting provider. Note that this only relates to the specific fees charged by that supporting provider; the main provider can still cover the costs of managing this subcontractor under the eligible cost of 'Programme governance, management and administration'.

**E89** When you agree a price with your main provider, their starting point must be no more than the maximum of the funding band for the standard.

**E89.1** If the price you agree with your main provider exceeds the maximum of the funding band, then you must agree off-line (outside of any information the main provider returns to us) how you will pay any difference to the provider. We do not need to know about the amount of this difference that you pay. VAT is applicable on this difference.

**E89.2** The price your main provider enters into our systems (the ILR and the apprenticeship service) must be the same.

**E89.3** The price your main provider enters into our systems (the ILR and apprenticeship service) (for TNP1) is the maximum of the funding band, minus the costs of any relevant prior learning that you have agreed with them (see paragraphs E18 to E19). This new maximum funding amount becomes the starting point for any further negotiation on price with you. Additional discounts could be applied, for example, where the apprentice is part of a large cohort.

**E89.4** If either the TNP1 or the TNP2 price changes during the apprenticeship, the reason for this change must be documented by your main provider in the evidence pack. All price changes must be agreed by you.

**E90** Any of the eligible costs outlined in paragraph E90 can be bought in from a third party, including the apprentice's employer and we will fund them.

**E90.1** Where the third party is the apprentice's employer then only actual costs will be funded and these must be recorded.

**E90.2** Where your main provider buys in the delivery of apprenticeship training and / or on-programme assessment from a third party (including you as the apprentice's employer) this is subcontracting and they must follow the subcontracting rules in paragraphs E146 to E161.

**E90.3** Funds from an employer's apprenticeship service account or government co-investment must not be used to fund other services (not listed above) from a third party.

## Ineligible costs

### New for 1 August 2022

**E91** - New rules: We have restructured the section and added a number of new ineligible costs (for field TNP1) as a result of the eligible costs review – these costs did not previously appear in the funding rules. We have also tried to structure the ineligible costs, where possible, into provider costs and employer costs. **Updated for version 1.**

**E91.5** - New rule: To reflect that costs associated with any further detailed assessment for learning support are ineligible. Learning support payments are funded separately. **New for version 1.**

**E91.9** - Clarification: We have expanded on the financial inducement information and provided examples.

**E91** For main providers and the delivery of training and on-programme assessment, ineligible costs include the following:

**E91.1** **Specific services not related to the delivery and administration of the apprenticeship (typical 'provider' costs)**

- E91.1.1** Lead generation activities (learner and employer recruitment) including:
- The costs associated with marketing and promotion activities;
  - The use of brokers, levy consultants, internal sales teams or external referral services to source employer or learner leads;
  - The costs of memberships or other costs paid to employers, or their representatives, associated with procurement registers or opportunities to secure business; or
  - First-contact activity / light touch pre-screening activity that may take place prior to a full initial assessment. Information, advice and guidance delivery to individuals not suitable for an apprenticeship.
- E91.1.2** The recruitment (including DBS checks) and continuing professional development of training provider staff involved in apprenticeships.
- E91.1.3** Development of original teaching materials related to the delivery of a new apprenticeship offer. By this we mean

the first time a main provider chooses to deliver a new apprenticeship standard.

**E91.1.4** Main provider (or subcontractor) induction activities, which may include outlining behaviour expectations and issuing the apprentice with any workbooks, contact details, logins and passwords.

**E91.1.5** Student support services, graduation ceremonies and celebration events.

**E91.1.6** Wider business costs (e.g. insurance, rent/rates, utilities, building maintenance, phone systems. Library service), and the cost of non-apprenticeship personnel (e.g. finance, HR, procurement) where these costs are not directly attributable to the apprenticeship programme.

**E91.2 Specific services not related to the delivery and administration of the apprenticeship (typical 'employer' costs)**

**E91.2.1** Employee expenses and benefits including

- Apprentice wages;
- Travel and subsistence costs for apprentices under any circumstances (including travel to off-the-job training); or
- All accommodation costs including outward bound activities and 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 main provider (or subcontractor).

**E91.2.2** The recruitment (including DBS checks) and continuing professional development of employer staff involved in apprenticeships.

**E91.2.3** Employer induction activities for the apprentice.

**E91.2.4** Flexi-job apprenticeship agency fees.

**E91.2.5** Student membership fees that are required by professional bodies, even where linked to a mandatory qualification.

**E91.2.6** Any fees to awarding bodies for non-mandatory qualifications (qualifications that are not specifically listed in the standard). This includes registration, examination, certification and re-sit costs.

**E91.2.7** Re-sit costs for a mandatory qualification, beyond the first re-sit (which is eligible).

- E91.2.8** Any training, optional modules, educational trips, or trips to professional events in excess of those required to pass the end-point assessment and achieve the apprenticeship.
- E91.2.9** Time spent by employees / managers supporting or mentoring apprentices, where this is not delivering training required as part of the apprenticeship (e.g. generic line management responsibilities).
- E91.2.10** The creation of line manager resources.
- E91.3** **End-point assessment costs incurred by the main provider, including invigilation.**
- E91.3.1** All costs related to the end-point assessment (except for the administration of arranging the assessment) must be included in the price negotiated between the employer and the end-point assessment organisation (TNP2 field on ILR) and not included in the cost of training (TNP1 field on ILR).
- E91.4** **English and maths up to level 2**
- E91.4.1** English and maths qualifications; these are funded separately and must not be included in the TNP1 price.
- E91.5** **Learning support**
- E91.5.1** The costs associated with any further detailed assessment for learning support.
- E91.5.2** Learning support payments; these are funded separately and must not be included in the TNP1 price.
- E91.6** **Repeating the same regulated qualification where the apprentice has previously achieved it.**
- E91.6.1** Unless it is a requirement of the apprenticeship or for any GCSE where the apprentice has not achieved grade C, or 4, or higher.
- E91.7** **Mock testing (relating to the end-point assessment) and exam revision** (this activity does not meet the definition of off-the-job training e.g. the delivery of new and relevant skills).
- E91.8** **Capital**
- E91.8.1** Capital purchases including lease agreements. Capital purchases are long-term assets that would have a lifespan beyond the apprenticeship being funded, such as land, buildings, machinery and ICT equipment (e.g. tablets and similar electronic devices and the purchase / set-up costs of an MI / e-portfolio system).

**E91.8.2** Maintenance of capital purchases. This includes vehicle parts and labour, insurance and MOT.

**E91.8.3** Depreciation

**E91.9 Financial inducements**

**E91.9.1** You must not seek or accept financial inducements in relation to the apprenticeship programme.

**E92** The ineligible costs listed above must not be included in the price that is agreed between you and your main provider.

**E92.1** If the main provider chooses to use the profit (surplus) **that** they have legitimately earned from eligible costs, on any of these activities, they can choose to do so.

## Additional payments

### New for 1 August 2022

We have removed the rules relating to incentive payments for hiring a new apprentice as these payments do not apply to starts from 1 August 2022. Where you have applied for incentive payments for hiring a new apprentice in respect of apprentices who started their apprenticeship on or before 31 March 2022, you must follow the funding rules that were applicable to that apprentice's start date. These can be accessed on GOV.UK and include the requirements for the evidence you must hold to assure us that you are eligible for each incentive payment for hiring a new apprentice you receive.

**E93** You and the main provider will receive a payment towards the additional cost associated with training if, at the start of the apprenticeship, the apprentice is:

**E93.1** 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); or

**E93.2** Aged between 19 and 24 years old and has either an Education, Health and Care (EHC) plan provided by their local authority or has been in the care of their local authority as defined in paragraph E94.

**E94** A child in care is defined as:

**E94.1** An eligible child - a young person who is 16 or 17 and who has been looked after by a UK 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;

**E94.2** A relevant child - a young person who is 16 or 17 who has left care within the UK after their 16th birthday and before leaving care was an eligible child; or

**E94.3** 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.

**E95** To be eligible for these payments you must have evidence in respect of each apprentice before the apprenticeship starts. You must check this and either you or the apprentice must give the main provider evidence to keep in the evidence pack.

**E96** Where these payments are for apprentices aged between 19 and 24 years old at the start of their apprenticeship (see paragraph E93.2), the main provider must include consent from the apprentice to inform you that they have an EHC plan or that they have been in the care of their local authority and either:

**E96.1** A signed email or letter from a local authority appointed Personal Advisor to confirm they are a care leaver; or

**E96.2** Evidence of an EHC plan.

**E97** Your payments will be paid to the main provider as follows:

**E97.1** 90 days after the apprentice starts, 50% will be paid if the apprentice is still undertaking their apprenticeship; and

**E97.2** 365 days after the apprentice starts, the remaining 50% will be paid if the apprentice is still undertaking their apprenticeship.

Where there has been a change of employer, please refer to the [Apprenticeships Technical Funding Guide](#) as to how payments will be made.

**E98** The main provider must pass these on in full to you within 30 working days of receiving this funding from us. Where an apprentice is employed by an ATA / FJAA, any applicable additional payments will be paid to the ATA / FJAA.

**E99** We will monitor take-up of additional payments to identify any potential fraud or irregularity.

## Care leavers bursary

**E100** Eligible apprentices will receive a £1,000 payment if they have been in the care of a UK local authority as defined in paragraph E94.

**E101** The bursary payment, due to the apprentice, will be generated to the main provider 60 days after they start. The main provider must pass this on in full to the apprentice within 30 days of receiving this funding from the ESFA.

**E102** This is a one-off payment. An eligible apprentice must only receive this payment once. Therefore, an individual must not receive this funding again if they progress to another apprenticeship or leave before the end of their apprenticeship to commence another apprenticeship. It is the main provider's responsibility to ensure that the apprentice has not received this payment previously. We will also monitor this to ensure that the apprentice only receives this payment once.



## Extra support for small employers

- E103** 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:
- E103.1** 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); or
  - E103.2** Aged between 19 and 24 years old and has either:
    - E103.2.1** An EHC plan provided by their local authority; or
    - E103.2.2** Been in the care of their local authority as defined in paragraph E94.
- E104** Before any apprenticeship starts, you must have evidence that the apprentice and you are eligible for the waiving of the employer contribution. You must provide evidence that you employed an average of 49 or fewer employees in the 365 days before the apprentice was recruited (using the calculation set out in paragraph E105) and you must give this to the main provider to keep in the evidence pack.
- E105** 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, you 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, you will not be eligible to receive this extra support.
- E106** If the price negotiated by you and the main provider is above the maximum value of the funding band for the apprenticeship, you must pay in full the difference between the band maximum and the negotiated agreed price. This cannot be funded from your apprenticeship service account.

## Support for English and maths training

### **New for 1 August 2022**

**E108** - Clarification: We have clarified that English and / or maths must be provided for all apprentices where they do not have prior attainment in these subjects at level 2.

**E110.1 and E114.1** - New rule: To reflect the policy change that level 2 apprentices who do not have level 1 in English and maths must prioritise achieving level 1 in these subjects and are only required to work towards level 2 English and maths where they have time remaining to make meaningful progress, once they have achieved level 1. The requirement for apprentices assessed at level 1 but without a level 1 qualification to take level 2 before achieving level 1 has been removed. These rules will apply irrespective of the apprentice's start date and will include existing learners who started their apprenticeship programme in previous funding years. **Updated for version 1.**

**E114.2** - Clarification: To reflect that apprentices must be assessed at level 2 for all three units of the English Functional Skills and the assessment for maths.

The flowchart has been updated.

**E107** English and maths are essential to supporting longer-term career prospects. This is why all apprentices must be supported to gain these essential skills and secure recognised qualifications.

**E108** English and / or maths must be provided for all apprentices where they do not have prior attainment in these subjects at level 2.

### **Achievement levels**

**E109** As part of our ambition for a world-class technical education system and in line with recommendations from independent experts, progression towards and attainment of approved level 2 English and maths qualifications is an important part of the apprenticeship programme. For those undertaking a level 3 or higher apprenticeship, it is a requirement that they hold or achieve an approved level 2 in both subjects before they can successfully complete the apprenticeship.

**E109.1** For apprentices at all levels with formally recognised special educational needs, 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 we will accept achievement at entry level 3 functional skills in English and / or maths (see paragraphs E123 to E129 below); and

**E109.2** Every effort must be made to enable apprentices with special educational needs, learning difficulties or disabilities achieve the minimum English and maths requirements of the specific apprenticeship as set out in paragraphs E109 to E122. This includes the appropriate use of access arrangements, reasonable adjustments and other approved qualifications that are detailed in the ESFA list of qualifications approved for funding.

**E110** For apprentices undertaking a level 2 apprenticeship:

**E110.1** We want as many apprentices as possible to achieve level 2 English and maths. We require all apprentices to achieve level 1 (where they have not already), as a minimum and where appropriate, work towards level 2 English and maths. Not all level 2 apprentices will be required to take the assessment at level 2. Level 2 English/maths must be achieved if specified within the apprenticeship standard.

### **What we will fund**

- E111** We will fund an apprentice to achieve up to an approved level 2 qualification in English and maths where they do not already hold a suitable equivalent qualification. Acceptable equivalents are set out in a published list on GOV.UK called [‘Acceptable Current and Prior Equivalent Qualifications for English and Maths Minimum Requirements in Apprenticeship Standards at Level 2 and Above’](#).
- E112** We will pay the main provider for this at the single rate set by us for each eligible qualification undertaken. It will not be deducted from your apprenticeship service account or require co-investment.
- E113** Main providers 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:
- E113.1** GCSE English language or maths (or both); or
- E113.2** Functional skills English or maths at level 2 (or both).
- E114** For level 2 apprenticeships, where a level 2 qualification in English or maths is not required for the apprenticeship and the apprentice does not already hold the acceptable qualifications for their standard, then main providers must adopt the following approach and can claim funding for an apprentice in the following scenarios:
- E114.1** **Where the apprentice holds neither level 1 nor level 2 approved qualifications:**
- Apprentices must study towards and achieve English and maths qualifications of at least level 1 (functional skills level 1 or GCSE grade E or 2). Once level 1 (Functional Skills level 1 or GCSE grade E or 2) is secured, apprentices must work towards level 2 English and / or maths (Functional Skills level 2 or GCSE) where there is time to make meaningful progress (a minimum of three months remaining prior to gateway). In recognition that a level 2 English and maths is at least two levels above the level of prior attainment, they are not required to be assessed at level 2 unless the provider is satisfied they are ready for assessment, or they have evidence of being ready for assessment (for example from mock/practice attempts).
- E114.2** **Where the apprentice already holds approved level 1 qualifications:**
- Apprentices must start, continue to study and take the assessments for a level 2 English and / or maths (functional skills level 2 or GCSE). This requirement must be fulfilled before the apprentice takes the end-point assessment. Apprentices should be assessed at level 2 for all three units of the English Functional Skills and the assessment for maths.
- E115** We will fund functional skills English and / or maths at level 1 or below where main providers (or a subcontractor) has conducted an initial assessment that shows the apprentice needs to study at a lower level before being able to achieve their level 2. The apprentice must be assessed at below level 1 to be funded for a level 1 qualification.

- E116** For level 3 and above apprenticeships where a level 2 qualification in English and maths is required and the apprentice does not already hold the acceptable level 2 English and maths qualifications, we will fund the apprentice to achieve the qualification. The apprentice must commence tuition at the English and maths level immediately above the level at which they have been assessed at the start of their apprenticeship programme. In instances where this starting level is lower than the exit requirements, progression through the appropriate English and maths levels (as required in the apprenticeship standard) must be achieved.
- E117** In exceptional circumstances, we will fund:
- E117.1** Re-takes of English and / or maths qualifications where apprentices receive further teaching to achieve the required English and / or maths functional skills qualification; and
- E117.2** [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.
- E118** If the apprentice is made redundant, they are allowed to continue with their English and / or maths up to and including level 2. Main providers can continue to claim funds at the published apprenticeship English and maths rates.
- E119** Main providers must not claim funding from the adult education budget for English and / or maths undertaken by an apprentice.
- E120** Any English and / or maths requirements for the achievement of an apprenticeship standard not set out above must be funded from your apprenticeship service account or through government-employer co-investment.
- E121** Main providers must provide evidence of prior attainment of English and maths. Guidance for obtaining acceptable evidence is provided in the evidence pack.

### **Judgement of an apprentice's current level**

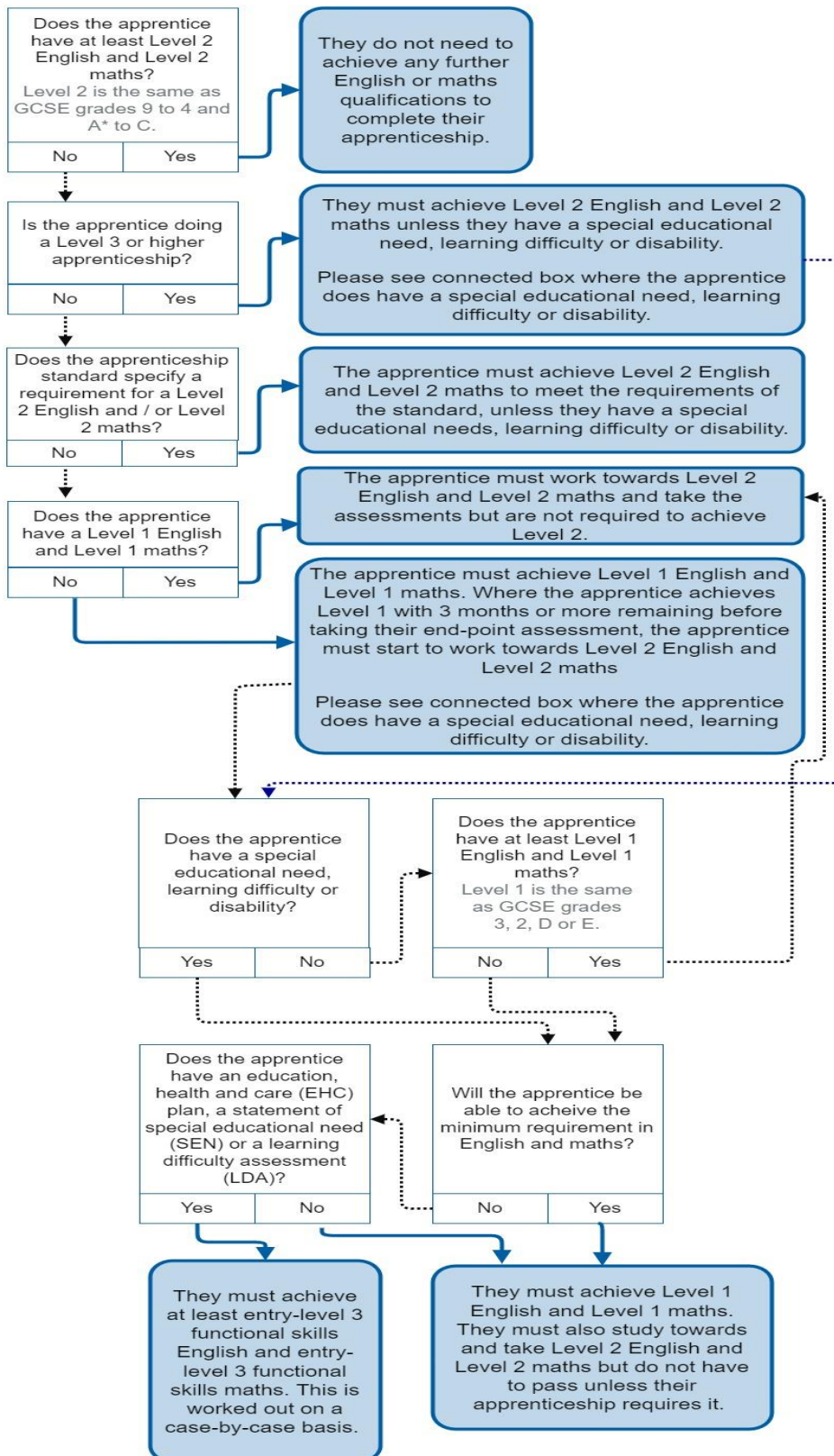
- E122** If an apprentice does not have acceptable evidence of previous attainment of English and / or maths, main providers must carry out a judgement of their current level. The assessment must use current assessment tools based on the national literacy and numeracy standards and core curriculum or [DFE published English and maths functional skills subject content](#).

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

- E123** Individuals must be considered on a case-by-case basis and must satisfy all of the following conditions:
- E123.1** 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). Self-declaration of a learning difficulty or a disability is insufficient.

- E123.2** You and the main provider expect the apprentice to achieve all other aspects of the apprenticeship requirements, become occupationally competent and achieve entry level 3 functional skills in the adjusted subject(s) before the end of their apprenticeship.
- E123.3** The main provider holds or has conducted an evidenced judgement demonstrating that even with support, reasonable adjustments and stepping stone qualifications, the apprentice 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.
- E124** Depending on the apprentice's individual circumstances and outcome of the main provider's judgement, the exception outlined in paragraph E123 may apply to either English and / or maths. If the exception applies to only one subject, the regular requirements for the non-adjusted subject will apply.
- E125** Although the apprentice will be exempt from the regular English and / or maths minimum requirements, main 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.
- E126** The judgement must be formal and structured and conducted by an appropriate professional associated with the main provider (or subcontractor), such as the head of SEN or student support. It must be conducted within eight weeks of an apprentice beginning their apprenticeship and must include:
- E126.1** Judgement of the apprentice's current English and maths ability;
- E126.2** 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;
- E126.3** Judgement of the apprentice's ability to meet the regular English and maths requirements even with appropriate support in place;
- E126.4** 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; and
- E126.5** Copies of an education, health and care (EHC) plan, a statement of special educational need (SEN) or a learning difficulty assessment (LDA).
- E127** The main provider must retain all elements of the judgement in the evidence pack.
- E128** If the apprentice disagrees with the judgement outcome, the main provider must provide a facility for the apprentice to request a second opinion. The main provider must ensure that a second SEN professional independently reviews the outcome. The main provider may determine the format of the review process.
- E129** Where the apprentice needs to change to entry level 3 for English and / or maths due to their disability or learning difficulty the main provider must record this in the ILR as a change in the usual way.

## Flow chart: find out if an apprentice needs to do English and maths i.e functional skills or GCSE



## End-point assessments

### New for 1 August 2022

**E141 to E142** - Clarification: We have moved relevant information relating to integrated standards, from elsewhere in the rules to a new section.

**E141** - Clarification: To reflect requirements for end-point assessment of integrated standards. **Updated for version 1.**

- E130** 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.
- E131** Apprentices will not be able to achieve an apprenticeship standard without satisfying all the requirements of its assessment plan, including the end-point assessment.
- E132** An apprentice can only take the end-point assessment once they have:
- E132.1** Met the minimum duration of the apprenticeship (see paragraph E28). You must ensure that the entire duration of the apprenticeship standard for both training and end-point assessment is a minimum of 372 days to be eligible for funding;
  - E132.2** Satisfied the gateway requirements set out in its assessment plan (including any specific duration criteria); and
  - E132.3** You (in consultation with the main provider) are content they have attained sufficient skills, knowledge and behaviours to successfully complete the apprenticeship. In the case of an apprentice made redundant, where we are funding the apprenticeship to completion, the main provider can act as a proxy employer for the purposes of providing any required employer competency statement (see paragraph E134).
- E133** You, in consultation with the main provider must ensure that the apprentice is prepared and understands the end-point assessment process. Engaging the end-point assessment organisation can be at any time, but to ensure timely delivery of the end-point assessment the dialogue must commence at least 6 months before the planned end date of the apprenticeship. As part of this process all information required for the end-point assessment must be ready to present to the end-point-assessment-organisation for the gateway.
- E134** The apprentice must be employed until the end-point assessment is completed. Consideration must be given to the potential time needed for any re-sit and / or re-training prior to re-taking the end-point assessment so the apprentice remains employed during this time.
- E134.1** The only exception is where the apprentice has been made redundant and we are funding the apprenticeship to completion.
- E135** At least 6 months before the apprentice reaches the gateway, you must have:

- E135.1** selected an organisation from the [Register of End-Point Assessment Organisations](#) (RoEPAO) to deliver the end-point assessment;
- E135.2** negotiated a price with the end-point assessment organisation. Only those organisations listed on the RoEPAO will be eligible to be funded.
- E136** Although you and the main provider will be involved in administrative arrangements for end-point assessment, the assessment itself must be independent (subject to paragraph E141 below). Some assessment plans give the employer and the training provider specific roles but, with the exception of integrated standards, training providers who have delivered the training cannot make an end-point assessment judgement for that same group of apprentices.
- E137** The main provider must contract with the end-point assessment organisation that has been selected by you and lead the relationship with them including where the delivery of apprenticeship training is subcontracted. This allows the main provider, on your behalf, to make payment to the end-point assessment organisation 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 must also include arrangements for a change of circumstances, which may delay, or lead to the cancellation of, the end-point assessment.
- E138** You must ensure that the price you agree with the main provider for the apprenticeship includes the amount that you have negotiated with the end-point assessment organisation. This includes any cost of external quality assurance of the end-point assessment. 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.
- E139** Eligible costs for end-point assessment organisations are set out in the [Conditions of Acceptance](#) document for organisations on the RoEPAO.
- E140** We expect that the cost of end-point assessment will 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 you to negotiate with assessment organisations to secure value for money. Where the total negotiated price is higher than the funding band maximum the difference must be paid by you.

### **End-point assessment process for integrated standards**

- E141** The end-point assessment organisation for an integrated degree standard may be the higher education training provider or a professional body, although to remain independent the assessment must involve someone from the occupation in the delivery and grading decision who has not been involved in the training element of the apprenticeship.
- E142** The end point assessment activities within an integrated standard can include but are not limited to a professional discussion, an interview and a presentation. Delivery of new learning must not take place during the end-point assessment period.



## Certification

### New for 1 August 2022

We have moved this section from the back of the document.

- E143** The end-point assessment organisation (or the provider in the case of an integrated standard) is responsible for claiming the apprenticeship completion certificate from the ESFA (including for those apprentices who are not funded by ESFA and recorded in the ILR under Funding Model 99).
- E144** The end-point assessment organisation must not claim the apprenticeship completion certificate from ESFA until they have received evidence from the provider that the apprentice has met all the requirements of the apprenticeship including English and maths.
- E145** Where applicable you must apply for and give apprentices certificates from awarding organisations for achieving a mandatory qualification and evidence this in the evidence pack.

## Contracting and subcontracting

### New for 1 August 2022

**Glossary:** Please note the definitions for subcontracting and subcontractor in the glossary have been updated.

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

- E146** Funding for all elements of each apprenticeship will be routed through a single main provider that you have chosen. This includes funding for English and maths.
- E147** Your main provider must directly deliver some of the apprenticeship training and / or on-programme assessment associated with your apprenticeship programme. By apprenticeship programme, we mean all of the apprentices that they have been contracted to deliver training to, irrespective of occupational area, standard or level.
  - E147.1** The volume of training and / or on programme assessment that your provider directly delivers must have some substance and must not be a token amount to satisfy this rule.
  - E147.2** 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. It does not include simply delivering English or maths, or aspects of the apprenticeship which all apprentices must have, such as safeguarding or British values.
  - E147.3** You can find further information in the document [Using Subcontractors in the Delivery of Apprenticeships](#).

## Agreeing the use of subcontractors with employers

- E148** Your main provider must publish on their website their rationale for subcontracting, which must enhance the quality of the learner offer. They must be clear about the educational rationale for their subcontracting position. They must not sub-contract to meet short-term funding objectives.
- E148.1** We expect the rationale to meet one of more of the following aims:
- E148.1.1** Enhance the opportunities available for learners
  - E148.1.2** Fill gaps in niche or expert provision, or provide better access to training facilities
  - E148.1.3** Support better geographical access for learners
  - E148.1.4** To offer an entry point for disadvantaged groups
  - E148.1.5** Give consideration of the impact on individuals with shared protected characteristics
- E148.2** Your main provider must also publish, before agreeing the use of subcontractors with you, the services they will provide when subcontracting and how they determine the associated costs.
- E148.3** They must set their full range of fees retained and charges that apply including:
- E148.3.1** Funding retained for quality assurance and oversight.
  - E148.3.2** Funding retained for administrative functions such as data returns.
- E148.4** Your main provider must also set out how they will determine that each cost claimed by a sub-contractor is reasonable and proportionate to the delivery of their teaching or learning and how each cost contributes to delivering high quality learning.
- E148.5** Your main provider must also publish all services they will provide when subcontracting and the associated costs when doing so, including a list of specific costs for managing the subcontractor, specific costs for quality monitoring activities and specific costs for any other support activities offered by them to the subcontractor.
- E149** Your main provider can use delivery subcontractors to complement their own delivery if requested by you and agreed at the start of an apprenticeship. Within your apprenticeship programme (conditional on paragraph E147) delivery subcontractors can deliver full or part-apprenticeship training.
- E150** Where you ask them to use delivery subcontractors, they must satisfy one of the following three criteria:
- E150.1** They are on the published [Register of Apprenticeship Training Providers](#) and have applied by the main or supporting provider application routes;

**E150.2** They are you or one of your [connected companies or charities](#) as defined by HMRC and are on the published Register of Apprenticeship Training Providers, having applied through the employer-provider application route; or

**E150.3** They have applied to the Register of Apprenticeship Training Providers subcontracting exception process and been approved to be exempted from the requirement to be on the Register of Apprenticeship Training Providers and can produce written approval from DfE confirming that the exception applies to them, including its duration. This temporary exception is effective from 25th May 2022 until 31 July 2023.

**E151** We will notify you if the training provider is removed from the Register of Apprenticeship Training Providers. If we terminate the training provider's agreement with the ESFA due to removal from the Register of Apprenticeship Training Providers, we will usually stop payments to the main provider three months from the date of this notification. You must give the main provider notice to terminate your contract with them.

**E152** Where you are the delivery subcontractor, you must only report actual costs of delivery.

**E153** Your main provider must maintain the relationship with you at all times. Your main provider must not allow a delivery subcontractor to lead that relationship.

## **Your written agreement with the main provider**

**E154** Your main provider must clearly describe to you and your potential subcontractor, before each subcontracting relationship is agreed, the reason for subcontracting and all services they will provide and the associated costs when doing so. This must include a; list of specific costs for managing the subcontractor, specific costs for quality monitoring activities and specific costs for any other support activities offered by them to the subcontractor. All of these costs must be individually itemised and describe how each cost contributes to delivering high quality training. The main provider must also explain how such costs are reasonable and proportionate to delivery of the subcontracted apprenticeship training.

**E155** If you and your main provider agree the use of delivery subcontractors, you must have an up-to-date written agreement in place with them that sets out the following for the delivery of their apprenticeship programme:

**E155.1** The apprenticeship training and / or on-programme assessment that they will directly deliver.

**E155.2** The amount of funding they will retain for their direct delivery.

**E155.3** The apprenticeship training and / or on-programme assessment that each delivery subcontractor will contribute to your apprenticeship programme.

**E155.4** The amount of funding the main provider will pay each delivery subcontractor for their contribution.

- E155.5** The specific amount of funding the main provider will retain to manage and monitor each delivery subcontractor.
- E155.6** The specific amount of funding the main provider retains for each other support activity you will provide to each delivery subcontractor.
- E155.7** The specific amount of funding the main provider will retain for the monitoring they will undertake to ensure the quality of the apprentice training and / or on programme assessment they have contracted each delivery subcontractor to carry out.
- E155.8** A detailed description of how the funding retained for each activity detailed in E155.5 to E155.7 contributes to delivering high quality training and how the funding retained is reasonable and proportionate to delivery of the apprenticeship training described in E155.3.
- E155.9** Any actual or perceived conflict of interest between them and any delivery subcontractors. For example, where they and a delivery subcontractor are part of the same group, share common directors or senior personnel, or where they will benefit financially from using a particular delivery subcontractor.

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

- E156** Your main provider is responsible for the actions of their subcontractors connected to, or arising out of, the delivery of the services, which they subcontract. If your main provider's subcontractor fails to deliver, the main provider will be responsible for making alternative arrangements for the delivery of education and training.
  - E156.1** Your main provider carries overall responsibility for the quality of apprenticeship training and on programme assessment undertaken by their delivery subcontractors.
- E157** If any of your main provider's delivery subcontractors undergo a change of circumstances that affects their ability to continue to deliver under a subcontract with your main provider then your main provider must make alternative delivery arrangements for each apprentice affected by this, in agreement with you. 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 main provider's written agreement with you.

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

- E158** Where the employer is the delivery subcontractor the main provider must only pay you for actual costs of delivery. Employers must not profit from apprenticeship delivery to their own employees.

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

- E159** The main provider is responsible for resolving issues and disputes between you and their delivery subcontractors. Main providers and assessment organisations must provide you and your 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 training plan.
- E160** Agreements entered into between you and the main provider are legal agreements and dispute resolution should be in accordance with the terms of the written agreement and ultimately would be enforceable through the courts.
- E161** You and your apprentices must be made aware by the main provider that you can contact the [apprenticeship helpline](#) regarding apprenticeship concerns, complaints and enquiries. The contact number and website must also be included in the written agreement and in the apprentice's training plan.
- E161.1** If you are unable to resolve your complaint with the main provider you may make a complaint in accordance with the [ESFA's procedure](#) for dealing with complaints about training providers.

## Paying for an apprenticeship

### New for 1 August 2022

**E162** - Clarification: To reflect the how funding for an apprenticeship is determined.

- E162** Funding for an apprenticeship is determined by whether there are levy funds available in an employer's apprenticeship service account each month. In any particular month:
- E162.1** If levy funds are available in your account, these will be used to pay that month's instalment. Where the levy funds are insufficient to cover the monthly instalment, the difference will be paid through government-employer co-investment.
- E162.2** If you do not have levy funds in your apprenticeship service account, that month's instalment will be funded through government-employer co-investment.

## The price of an apprenticeship

### New for 1 August 2022

**E163** - New rule: We no longer require the actual delivery cost of the apprenticeship on the ILR and the apprenticeship service, where this figure is above the funding band. The price that your provider enters into both the ILR and the apprenticeship service is the funding that

they are claiming from us (the maximum of the funding band minus the cost of any relevant RPL and any further discounts with the employer). They must enter the same price into the ILR and the apprenticeship service. They must make their own arrangements to collect any money due from you (the employer) if the actual value is above the funding band maximum.

We have removed the rule that said the main provider must not offset the negotiated price with the costs of any service provided by you.

- E163** You and your main provider must negotiate a price for the cost of each apprenticeship, including the training costs and any subcontracted training. The price must include the cost of the end-point assessment which you must negotiate with the end-point assessment organisation.
- E163.1** When you agree a price with the provider, their starting point must be no more than the maximum of the funding band for the standard.
- E163.2** If the price you agree with the provider exceeds the maximum of the funding band, then you both must agree off-line (outside of the ILR and apprenticeship service) how you will pay any difference. We do not need to know about the amount of this difference. Your provider may charge VAT on the difference. This difference must not be funded from the apprenticeship service account or co-investment.
- E163.3** The price your provider enters into the ILR and the apprenticeship service must be the same.
- E163.4** The price your provider enters into both the ILR and apprenticeship service (for TNP1) is the maximum of the funding band minus the costs of relevant prior learning that you have agreed with the provider (see paragraphs E18 to E19). This new maximum funding amount becomes the starting point for any further negotiation on price with you (e.g. additional discounts may be applicable if the apprentice is part of a large cohort).
- E163.5** Where you and the provider do not know the details of the end-point assessment organisation at the start of the apprenticeship, they must enter the price for end-point assessment (in TNP2) once this has been confirmed. This field in the ILR must be left blank until the price of the end-point assessment has been confirmed to ensure accuracy.
- E163.6** The prices entered onto the ILR must not include any VAT, which may be charged on employer co-investment.
- E163.7** The funding bands and the standards placed within them, may be subject to change.
- E164** 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 and later added.

- E164.1** If either the TNP1 or the TNP2 price changes during the apprenticeship, the reason for this change must be documented in the evidence pack. All changes must be agreed by you.
- E164.2** 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 'change of circumstances' section (see paragraphs E242 to E299).

## Employer co-investment

### New for 1 August 2022

**E170 - Clarification:** To confirm that where, due to a change of circumstances, the employer has overpaid their employer co-investment then the provider must reconcile and refund any monies due. Where you become a levy-payer during an apprenticeship which started as a non-levy apprenticeship, co-investment must be reconciled and any overpayment addressed. **Updated for version 1.**

- E165** Where the monthly cost of apprenticeship training cannot be fully met by funds from your apprenticeship service account (because there are insufficient funds), you must co-invest the relevant co-investment rate of the outstanding balance for that month. This rate will be the co-investment rate that was in place on the date the apprenticeship started:

Co-investment rates for apprenticeships that started:	
before 1 April 2019	on or after 1 April 2019
10%	5%

Please refer to the Apprenticeships Technical Funding guide for more information about what change of circumstances affect the co-investment rate.

- E166** If you do not pay the apprenticeship levy you must also co-invest at the relevant co-investment rate, towards the agreed cost of apprenticeship training (see table above). The government will pay the remaining percentage up to the funding band maximum. Where the funding band maximum is exceeded, you must pay all the additional costs above the funding band maximum.
- E167** Main providers will need to invoice you separately for any employer co-investment, including any VAT.
- E168** You may agree a schedule of co-investment payments with the main provider, which does not match payments made by us each month.
- E169** Main providers will need to show to us that they have received your co-investment payments to justify the government's contribution. If they cannot do that then we may withhold their completion payment. Where you are required to pay co-investment, this must be a transfer of funding visible in the main provider's financial systems. This will typically be in the form of a main provider invoice and corresponding employer payment.

**E170** You must not seek or accept any refund, in total or in part, of your co-investment contribution. The only exception to this is where a change of circumstances has taken place (for example, where you become a levy-payer during an apprenticeship which started as a non-levy apprenticeship, or the apprentice has changed employer or has withdrawn from the apprenticeship programme). In these instances, the provider must reconcile the employer co-investment they have already received and any overpayment addressed. More details can be found within the Change of circumstances section.

**E171** The only exceptions to employer co-investment are:

**E171.1** English and maths, to achieve the required government standard (see paragraphs E107 to E129);

**E171.2** Where you qualify for extra support for small employers (see paragraphs E103 to E106);

**E171.3** For any learning support for the apprentice (see paragraphs E66 to E67);

**E171.4** For any additional payments (see paragraphs E93 to E99); and

**E171.5** Where you deliver to your own staff as an employer-provider.

## Financial contributions by an apprentice

### New for 1 August 2022

We have moved this section from earlier in the document.

**E172** The apprentice must not be asked to contribute financially to the eligible costs of training, on-programme or end-point assessment.

**E172.1** This includes both where the individual has completed the programme successfully or has left the programme early.

**E172.2** Costs include any co-investment or additional training and assessment costs above the funding band, that you have paid directly to the main provider where this is part of the agreed apprenticeship.

## When payments are made

**E173** We will pay the main provider 80% of the negotiated price (TNP1 and TNP2) 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. The deductions from your apprenticeship service account will mirror these payments where funds are available.

**E174** We will pay the remaining balance of the negotiated price, up to the maximum value of the funding band, to the main provider when the apprentice has undertaken all the activity relevant to the apprenticeship, including completing all elements of the end-point assessment.



**E175** The deductions from your apprenticeship service account will mirror these payments where funds are available.

## Funds in your apprenticeship service account

### New for 1 August 2022

**E181** - Clarification: To reflect that training providers must not have access to your apprenticeship service account unless they are operating as an employer-provider. The tasks that you give permission for are accessed through the training provider's own account, not by giving them access to yours.

**E185** - Clarification: You must make sure that the PAYE scheme used in the apprenticeship service account for the apprentice is linked to the National Insurance number for the apprentice declared by the main provider in the ILR.

**E176** You must only add PAYE schemes for you or your connected companies or charities (according to [HMRC's definition](#)) to your apprenticeship service account.

**E177** Public bodies cannot usually be connected for apprenticeship levy purposes. If you are setting up an apprenticeship service account for a public body, you must only add the PAYE scheme or schemes for one employer, that is, a government department, local authority, or non-ministerial department.

**E178** There are some exceptions where public bodies are considered to be corporate bodies, companies, or charities. If your organisation is connected, as defined by HMRC employment allowance connection rules and shares one apprenticeship levy allowance, then you could set up an account with another connected employer.

**E179** We will monitor accounts to check that PAYE schemes are properly used. If we have any questions, we may ask you to provide evidence that the employers sharing an apprenticeship service account are connected.

**E180** You must:

**E180.1** Remove PAYE schemes from your apprenticeship service account that are no longer operated by the employer associated with the account (or leaves the group of connected companies);

**E180.2** Ensure the PAYE scheme for the apprentice's employer is associated with the same apprenticeship service account which records the apprenticeship for them and;

**E180.3** Manage users associated with your account including:

**E180.3.1** Removing users who are not authorised to act on your behalf; and

**E180.3.2** Controlling who can add users.

**E181** Where your apprenticeship service account is used to fund training and assessment, you are responsible for recording the required details of the apprenticeship in your account. Training providers must not have access to your

Apprenticeship Service account, unless operating as an employer-provider. Through your service account you can give the main provider permission to enter this information on your behalf but you will need to authorise the apprentice details so we can use your apprenticeship service funds to pay for that apprentice's apprenticeship. The tasks that you give permission for are accessed through the training provider's own account, not by giving them access to yours.

- E182** Only you can confirm the spending of funds from your apprenticeship service account. You must not delegate this function to the main provider and they must not take on this responsibility.
- E183** You must not allow any third party to authorise payments through your apprenticeship service account.
- E184** To be funded from your apprenticeship service account, the data entered into the apprenticeship service account must correspond with the information submitted by the main provider to us each month through the ILR. Payments to your chosen main provider will only be made if these details match.
- E185** You must make sure that the PAYE scheme used in the apprenticeship service account for the apprentice is linked to the National Insurance number for the apprentice declared by the main provider in the ILR.
- E186** If we withhold payments to the main provider because there is not a match, we will reconcile the payments due to the main provider when the data matches and make the corresponding changes to your apprenticeship service account.
- E187** You must not ask for, or demand, a fee from a main provider or an intermediary for access to funds in your apprenticeship service account.
- E188** As a result of retrospective changes to the amount of apprenticeship levy declared to HMRC, the balance in your apprenticeship service account could go up or down. If an adjustment reduces your balance to a negative value that persists, the ESFA may ask you to pay the ESFA this value, discounted by the co-investment rate in place when the apprenticeship started. We will provide you with details of this payment including the amount due and when to make a payment.
- E189** If your organisation is subject to structural changes, including mergers and acquisitions, you must contact us.

## **Reservation of funds by non-levy employers**

### **New for 1 August 2022**

**E191** - Clarification: To reflect that training providers must not have access to your apprenticeship service account unless they are operating as an employer-provider. The tasks that you give permission for are accessed through the training provider's own account, not by giving them access to yours.

- E190** If you do not pay the levy, you can reserve funds using the apprenticeship service to access apprenticeship funding. More information on reservation of funds can be found in [Apprenticeship funding in England](#).
- E191** Where you are using the apprenticeship service to reserve funds to fund training and assessment, you are responsible for recording the required details of the apprenticeship. Training providers must not have access to your Apprenticeship Service account, unless operating as an employer-provider. You can give providers permission to reserve funding on your behalf but these are accessed through the training provider's own account, not by giving them access to yours. It is your responsibility to ensure the accuracy of information within the reservation. The information in your apprenticeship service account must correspond with the information recorded on the ILR.
- E192** Reserved funds are classed as government-employer co-investment and all rules associated with government-employer co-investment must be followed when using reserved funds. Please see E165 to E175.
- E193** Funding cannot be secured through both reservations and via contracted provision, for a single apprentice on an apprenticeship unless:
- E193.1** An apprenticeship was funded via contracted provision and following redundancy needs to be funded via a reservation to allow an apprentice to continue / complete their apprenticeship with a new employer.
- E193.2** An apprenticeship was funded via contracted provision and following provider failure needs to be funded via a reservation to allow an apprentice to continue / complete their apprenticeship with a new provider.
- E194** Each reservation is linked to your account. If a provider reserves funds on your behalf, you can use this reservation with any provider. You can change the provider at any time up to the point of the commitment.
- E195** If you and a provider are planning to use reserved funds to fund an apprentice, you must reserve funds in advance of recruitment, or an offer of an apprenticeship being made to an existing employee.
- E196** When making a reservation you, or the provider, must declare:
- E196.1** The month the apprenticeship training will start; and
- E196.2** The apprenticeship standard
- E197** Reservations can only be used for:
- E197.1** New apprenticeship starts; and
- E197.2** Re-starts where:
- E197.2.1** The apprenticeship was funded via contracted provision and following redundancy needs to be funded via a reservation to allow an apprentice to continue / complete their apprenticeship with a new employer.

**E197.2.2** The apprenticeship was funded via contracted provision and following provider failure needs to be funded via a reservation to allow an apprentice to continue / complete their apprenticeship with a new provider.

- E198** Where funds have not been reserved before the apprenticeship start or re-start date, you, or the provider, must reserve funds no later than the end of the calendar month in which the apprentice starts or re-starts.
- E199** Where an apprenticeship has started or re-started and funds have not been reserved, if you want to use reserved funds to fund that apprenticeship, you, or the provider, must reserve funds for a future available month. You and the provider must re-start the apprentice on their apprenticeship and re-determine eligibility in line with the start date confirmed in the reservation. This includes, where applicable, updating the apprenticeship agreement and training plan.
- E200** An ILR cannot be submitted where funds have not been reserved for a start or re-start and a commitment has not been made for an apprentice, with matching details.
- E201** If you or the provider have made a reservation we will guarantee funds, subject to the reservation being converted into a commitment and the rest of the funding rules being met. Eligibility is determined at the start of an apprenticeship programme, not on the date of reservation.
- E202** Following a reservation:
- E202.1** A commitment must be made on the apprenticeship service. Information on [how to convert a reservation to a commitment](#) can be found on GOV.UK
  - E202.2** All ILR fields must be accurately completed for an apprentice as required in the [ILR specification](#).
- E203** Reservations will expire if they are not used within 3 months of the start date detailed within the reservation. If the reservation expires before the apprentice starts, you or the provider will need to make a new reservation. New reservations are subject to government funds being available.
- E204** If a change of circumstance occurs that results in the need for a new reservation on the apprenticeship service, you (or the provider) must contact [the apprenticeship service support desk](#). You will have used a reservation creating the original commitment for the apprentice and must not make a second due to change of circumstances. More information on when to contact us can be found in the change of circumstances section.

## Qualifying days for funding

- E205** To qualify for apprenticeship funding the apprentice must be in learning for a minimum of 42 days between the learning start date and learning planned end-date.
- E206** Where funding is paid for an apprentice who does not subsequently meet the qualifying period, we will recover the funding from the main provider. These funds will be returned to your apprenticeship service account.

## Subsidy control

- E207** Funds received by main providers from your apprenticeship service account (including government top-ups to funds), government-employer co-investment and additional payments, do not fall within the scope of subsidy control from 1 August 2022 to 31 July 2023.
- E208** The waiving of the employer contribution for small employers is subject to subsidy control regulations. For more information on Subsidy Control, please visit the [subsidy control guidance](#) on GOV.UK.
- E209** Transfers of funds are subject to subsidy control regulations. For any transfer you receive, a percentage of the transferred funds will count towards your Small Amounts of Financial Assistance exemption. This percentage represents the amount of co-investment you would have otherwise had to contribute towards the apprenticeship, if funds had not been transferred. The percentage rate is dependent on when the apprenticeship started – for further information about these rates, please refer to the table in paragraph E165.
- E210** You must complete a subsidy control declaration for funding you receive as a result of the waiver of the employer contribution for small employers and transfers. You must give this to the main provider to keep in the evidence pack. If you have any concerns about exceeding your Small Amounts of Financial Assistance exemption, please contact your main provider for further guidance.

## Apprenticeships funded by transfer of levy funds

### Introduction for all employers

#### New for 1 August 2022

Text relating to rules about sending employers not being able to receive a transfer and vice versa, has been removed as this restriction was lifted in February 2022.

**E223** - New Rule: To confirm that host employers can send transfers to Flexi-Job Apprenticeship Agencies.

**E228** - Clarification: Rule updated to confirm that the responsibility for the quality of the apprenticeship and employment of the apprentice(s) lies solely with the receiving employer.

**E241** - Clarification: Rule updated to include monitoring the details submitted in pledge applications against the actual details entered onto the apprenticeship service account when apprentice starts.

- E211** Levy-paying employers can transfer a percentage of their levy funds, which were declared for the previous tax year, to other employers, including apprenticeship training agencies (ATAs) and Flexi-Job Apprenticeship Agencies (FJAAs). The transfer allowance percentage is currently set at 25%.

**E211.1** The transfer allowance will be calculated from the total amount of levy declared during the previous tax year, with the English percentage

applied, plus the 10% government top-up payment. This allowance is recalculated every tax year and any unused allowance will not be carried forward.

- E212** Employers receiving transferred funds will only be able to use them to pay for training and assessment for apprenticeship standards, for new apprenticeship starts. A transfer must be agreed and put in place before an apprentice (being funded by the transfer) starts their apprenticeship. The only exception to this is where the apprentice is changing employer and an agreement to continue their apprenticeship with their new employer is via a transfer of levy funds - this must be agreed by the point the apprentice starts with their new employer.

## Rules for sending employers

- E213** A sending employer is a levy-paying employer who wishes to transfer levy funds in their apprenticeship service account to another employer to support their delivery of an apprenticeship standard. These funds can only be used for the cost of apprenticeship training and assessment.
- E214** We will calculate the transfer allowance around the start of each tax year (the calculation is based on the period 12 levy figure declared to HMRC). The transfer allowance is calculated on declared levy multiplied by the English percentage, along with the 10% automatic top up from government.
- E215** If you are part of an account with connected organisations your transfer allowance will be calculated from the total levy declared by all organisations included within the account at the time of the calculation. You will not have an individual transfer account.
- E216** Provided you do not exceed the transfer allowance, you are able to transfer funds to any number of employers.
- E217** To send a transfer, if prompted, you must re-sign the ESFA [employer agreement](#).
- E218** Where applicable, you must agree with the receiving employer the criteria of the apprenticeship which you will fund and the price that they have agreed with their chosen main provider and end-point assessment organisation. You will need to approve these details through the apprenticeship service and ensure you do not exceed your transfer allowance.
- E219** If you are facilitating the transfer via a transfer pledge and have chosen the auto-approval option, then you will not be required to review the details when the apprentice/cohort is added.
- E220** By agreeing to fund an apprenticeship with a transfer, you are committing to fund the apprenticeship over its entire duration until completion. You will need to ensure that you will have enough transfer allowance to cover these costs over the relevant number of years. You will not be able to stop payments once you have approved the apprenticeship on the apprenticeship service and transfer payments will be deducted from your levy account first, prior to your own apprenticeships.

- E221** The transfer amount should cover 100% of the eligible training and assessment costs, up to the funding band maximum, of the apprenticeship standard. This does not include English and maths training up to and including level 2, which is funded separately.
- E222** You cannot jointly fund an apprenticeship with another levy-paying employer.
- E223** If you are sending a transfer to a Flexi-Job Apprenticeship Agency, or ATA, then the transfer must be for the whole duration of the apprenticeship. You are not able to fund part of the apprenticeship duration, i.e. for the period that you host the apprentice.
- E224** You must not impose conditions on the transfer, such as choosing the receiving employer's main provider or end-point assessment organisation for them. This does not include any criteria that you may have set around your transfer pledge.
- E225** You must not seek or accept any incentives or inducements, or any other payments not authorised by us in exchange for sending a transfer.
- E226** If you are a main provider who is also a levy-paying employer (this includes any [connected companies](#)), 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 subcontractor.
- E227** The funds that you transfer will retain their initial date of expiry; the date of transfer will not affect this.
- E228** Once the transfer of levy funds has been processed, the responsibility and liability of the transfer funded apprenticeship lies solely with the receiving employer – this includes the quality of the apprenticeship and the employment of the apprentice(s). The sending employer has no accountability for that apprenticeship going forward, apart from the commitment to fund the apprenticeship over its entire duration until completion.

## **Rules for receiving employers**

- E229** A receiving employer is any (levy-paying or non-levy paying) employer, including Flexi-Job Apprenticeship Agencies, who receives a transfer of funds from a levy-paying employer.
- E230** For the purposes of apprenticeships funded by a transfer, the receiving employer is treated as a levy-paying employer.
- E231** To receive a transfer, if prompted, you must sign the ESFA [employer agreement](#) and ensure apprenticeships funded by a transfer follow the rules in this document.
- E232** Once the transfer of levy funds has been processed, the responsibility and liability of the transfer funded apprenticeship lies solely with the receiving employer – this includes the quality of the apprenticeship and the employment of the apprentice(s). The sending employer has no accountability for that apprenticeship going forward, apart from the commitment to fund the apprenticeship over its entire duration until completion.
- E233** The transfer amount you receive should cover 100% of the eligible training and assessment costs, up to the funding band maximum, of the apprenticeship standard.

This does not include English and maths training up to and including level 2, which is funded separately.

- E234** You will need to set up an apprenticeship service account if you do not already have one. You will need to enter details of the apprenticeship that the transferred funds relate to. If you already have an apprenticeship service account, you may use this to receive a transfer.
- E235** The rules on what apprenticeship funding can be spent on are set out in the eligible costs section at paragraph E87.
- E236** Before entering the details on your apprenticeship service account, you must:
- E236.1** Agree the transfer details with the sending employer (either by an approved pledge application or by a direct transfer connection);
  - E236.2** Agree with the main provider which apprenticeship standard your apprentice will be undertaking; and
  - E236.3** Confirm the price that you have negotiated with your main provider. All parties will need to approve these details through the apprenticeship service.
- E237** You must not provide any incentives or inducements, or any other payments not authorised by us in return for receiving a transfer.

### **If the total cost cannot be covered by the transfer**

- E238** If you do not pay the levy or have exhausted the levy funds in your apprenticeship service account and at any point the 'sending' employer has insufficient funds to cover the cost of your apprenticeship training, you must pay co-investment to your main provider for the remainder. The rate at which you will need to pay co-investment will depend on when the apprenticeship started. Please refer to the table in paragraph E165 for details of the rates.
- E239** If you are a levy-paying employer, if at any point the 'sending' employer has insufficient funds to cover the cost of your apprenticeship training and you have sufficient levy funds available then these funds will automatically be used before you enter co-investment.
- E240** If the total negotiated price of the apprenticeship exceeds the funding band maximum, you must pay all of the additional costs.

### **Monitoring**

- E241** We will monitor transfer activity to ensure apprenticeship funding is used appropriately and may take action where you do not meet the terms and conditions of using apprenticeship funding. This includes where a transfer has been created through the Pledge and Transfer Apprenticeship Funds service whereby, we will be monitoring the apprenticeship details entered in the transfer pledge application against the actual start details. These terms and conditions are set out in these funding rules and the employer agreement.



## Change of circumstance

- E242** If any circumstances change that affect any agreement made between you and the main provider, you must revise existing agreements or create new agreements. This includes:
- E242.1** Changes to the apprentice's programme (including changing to a new version of a standard (see paragraphs E266 to E276);
  - E242.2** Changes to price;
  - E242.3** Changes to the apprentice's eligibility;
  - E242.4** Any updates required to your apprenticeship service account;
  - E242.5** Changes to the apprentice's contract or working pattern;
  - E242.6** Changes to the apprenticeship duration;
  - E242.7** Changes to the main provider or subcontractor; or
  - E242.8** Breaks in learning.
- E243** An apprentice must be employed continuously for the duration of the apprenticeship. If their employment is terminated, the individual cannot continue with their off-the-job training (with the exception of redundancy).
- E243.1** When employment or an apprenticeship agreement has ended (resignation, dismissal or any other action by the apprentice or the employer that results in the apprenticeship agreement ending, with the exception of redundancy) and new employment has commenced within 30 days we do not expect a withdrawal to be recorded
  - E243.2** When employment or an apprenticeship agreement has ended (resignation, dismissal or any other action by the apprentice or the employer that results in the apprenticeship agreement ending, with the exception of redundancy) and new employment hasn't commenced within 30 days, you must manage this using a withdrawal to ensure funds are not paid when the apprentice is not employed, in line with rules E293 to E295.

## Breaks in learning

### New for 1 August 2022

**E244** - Clarification: Breaks in learning must be used where active learning has not taken place for four weeks (see paragraph E28.2). **Updated for version 1.**

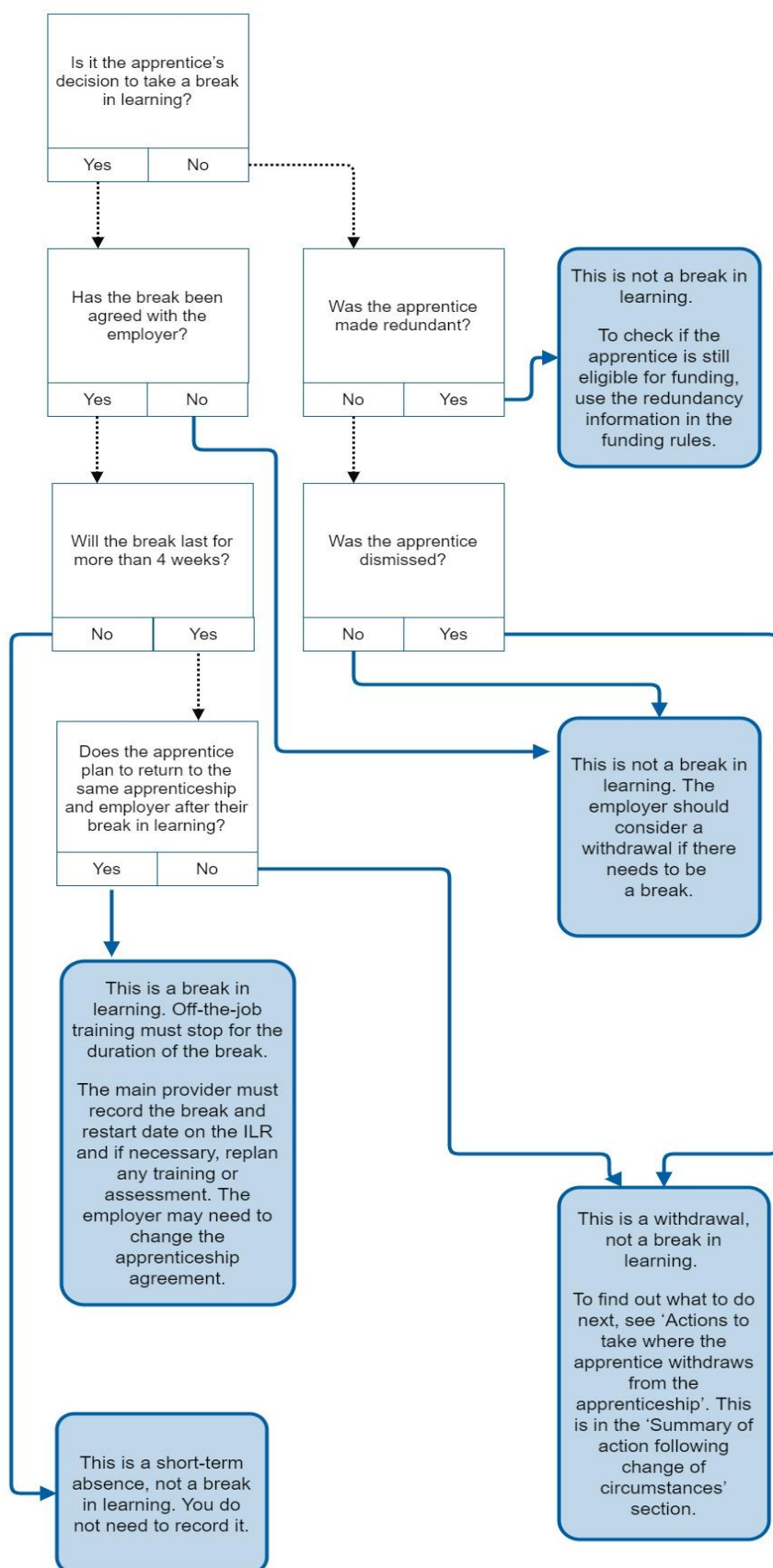
**E246** - New rule: Where the apprentice changes employer and there is a gap in employment of more than 30 days and up to 12 weeks, the apprentice must be recorded as on a break in learning (see paragraphs E293 to E295). **Updated for version 1.**

**E247.1** - Clarification: To reflect that a break in learning can be taken either with, or without a break in employment.

- E244** The apprentice must be involved in active learning (off-the-job training and / or English and maths training) throughout the apprenticeship, from the learning start date to the learning actual end date (the practical period) (see paragraph E28.2). Some active learning must take place or a break in learning must be used.
- E245** A break in learning must not be recorded:
- E245.1.1** For annual leave, public holidays and short-term absence (up to 4 weeks).
  - E245.1.2** When employment or an apprenticeship agreement has ended (redundancy, resignation, dismissal or any other action by the apprentice or the employer that results in the apprenticeship agreement ending). Where an apprentice has been made redundant you must refer to the redundancy section in the rules (see paragraphs E255 to E256).
- E246** Where an apprentice changes employer and there is a break in employment of more than 30 days and up to 12 weeks, the main provider must, after 30 days, record the apprentice as on a break in learning (see paragraphs E293 to E295).
- E247** The apprentice may also request to take a break in learning from their apprenticeship programme if they plan to return to the same apprenticeship at a later date.
- E247.1** A break in learning can be taken either with, or without a break in employment.
  - E247.2** The decision to take a break in learning, the reason for the break and its expected duration must be agreed with the employer. This could include medical treatment, parental leave or leave for other personal reasons.
- E248** The main provider must record breaks in learning on the ILR and re-plan the delivery of any remaining training and / or assessment following a break, if required. You must revise the apprenticeship agreement if required.
- E248.1** We will stop making payments from funds in your apprenticeship service account or government-employer co-investment if an apprentice has a break in learning. Your main provider must inform us through their ILR if an apprentice takes a break in learning. If this does not occur, you may temporarily pause payments through your apprenticeship service account until the provider's ILR data has been updated.
  - E248.2** 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.

**E248.3** We will monitor take-up of additional payments and unusual patterns of activity to identify any potential fraud or irregularity.

## Flow chart: Find out what to do if your apprentice wants to take a break in learning



## Where training or assessment stops

- E249** Where a change of circumstance means that training and / or assessment is no longer being delivered, no further funds from your apprenticeship service account, government-employer co-investment or additional payments will be made.
- E250** In these circumstances, your main provider must inform us of the date training or assessment activity stopped through their ILR. The main provider must ensure that you have paid any mandatory co-investment due for any training or end-point assessment already delivered.
- E251** You may alert us through your apprenticeship service account at any time if training and / or assessment is no longer being delivered. If the apprentice is made redundant, you must stop payments in your apprenticeship service account. The stop date you apply in your account must correspond with the date the apprentice is made redundant.
- E252** When a change of circumstance results in over-payment of funds from your apprenticeship service account or government-employer co-investment, any over-payment must be repaid by the main provider to us. We will then credit the appropriate funds to your apprenticeship service account. The main provider must follow the arrangements set out in their agreement with you for any over-payment by you.
- E253** You must agree with the main provider any reimbursement of your 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.
- E254** If any change of circumstances is not included in this section, you must seek advice from us about what action you must take. Please use our [enquiry form](#).

## Redundancy

### **Apprentices made redundant who, on the day of dismissal, are within six months of the final day of the apprenticeship practical period OR they have completed at least 75% of the apprenticeship practical period**

- E255** Apprentices who have their apprenticeship agreement terminated by reason of redundancy who, on the day of dismissal, are either within six months of the final day of the practical period, OR have completed at least 75% of the practical period specified in the apprenticeship agreement, may continue their apprenticeship training without being employed under an apprenticeship agreement (see paragraph E25.1.1). In these circumstances:
- E255.1** The main provider can continue to deliver the apprenticeship's training as long as all the remaining elements, including the end-point assessment, can be successfully delivered.
- E255.2** We will fund 100% of the remaining costs of the price negotiated between the main provider and the employer up to the funding band maximum.
- E255.3** The main provider must record the change in employment status in the ILR and, where applicable, you must stop payments from your apprenticeship service account, including where the apprenticeship is

funded by a transfer. These dates must match the date the apprentice's apprenticeship agreement was terminated.

- E255.4** The main provider must retain evidence of the apprentice's redundancy in the evidence pack.
- E255.5** The main provider must support the apprentice through to the end of the apprenticeship, including any assessment.
- E255.6** The main provider must have evidence that they have made reasonable efforts to find the apprentice a new employer.
- E255.7** 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. The main provider must negotiate a new price, if required, with the new employer and input this on the ILR.
- E255.8** 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 E255.2.

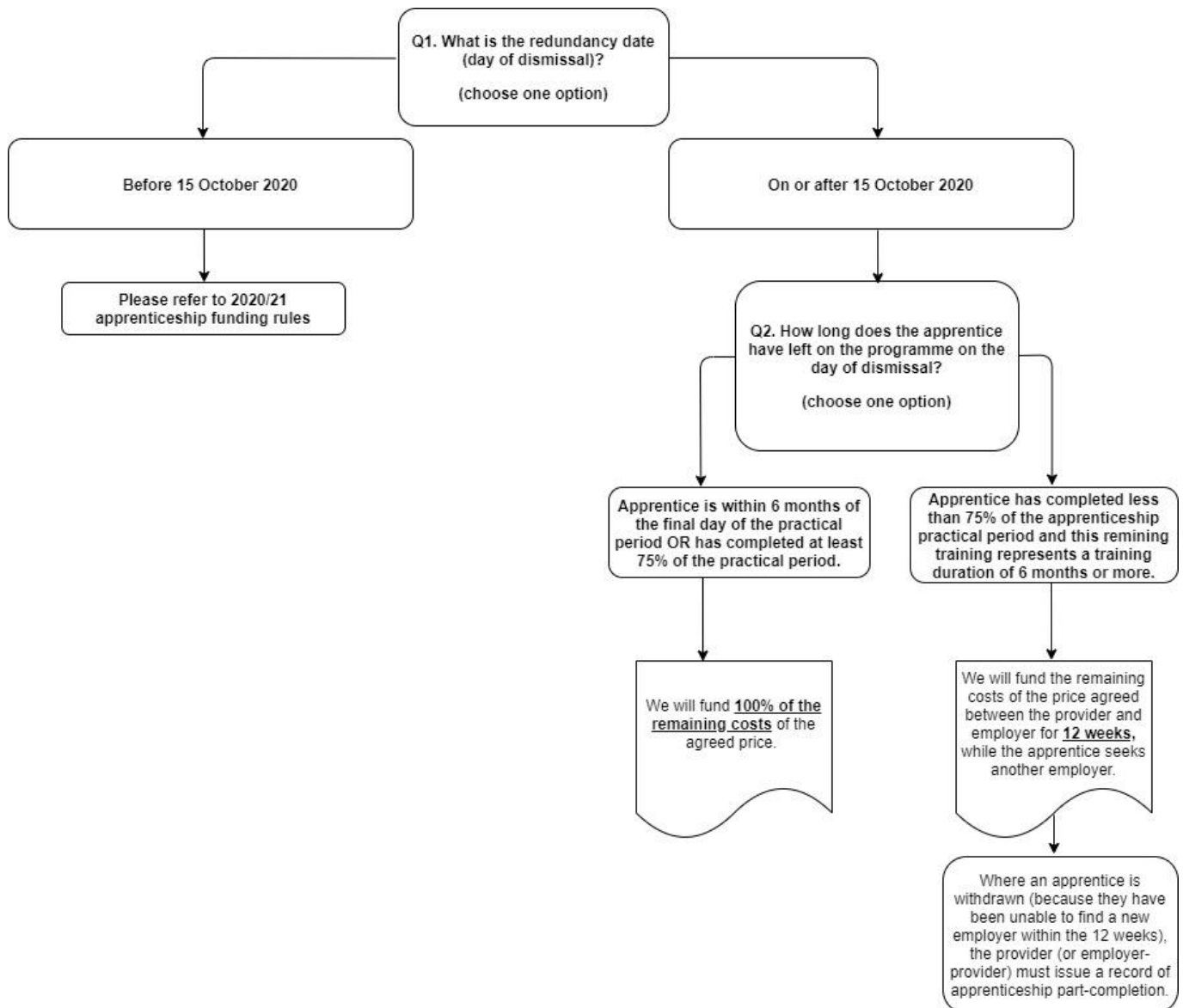
**Apprentices made redundant who, on the day of dismissal, have completed less than 75% of the apprenticeship practical period and the remaining training represents a training duration of six months or more**

**E256** Apprentices who have their apprenticeship agreement terminated by reason of redundancy who, on the day of dismissal, have completed less than 75% of the practical period specified in the apprenticeship agreement and the remaining training represents a training duration of six months or more, may continue their apprenticeship training without being employed under an apprenticeship agreement (see paragraph E25.1.2). In these circumstances:

- E256.1** The main provider can continue to deliver the apprenticeship's training, where it can be successfully delivered.
- E256.2** We will fund the remaining costs of the price agreed between the main provider and the employer for 12 weeks, while the apprentice seeks another employer.
- E256.3** The main provider must record the change in employment status in the ILR and, where applicable, you must stop payments from your apprenticeship service account, including where the apprenticeship is funded by a transfer. These dates must match the date the apprentice's apprenticeship agreement was terminated.
- E256.4** The main provider must retain evidence of the apprentice's redundancy in the evidence pack.
- E256.5** The main provider must have evidence that they have made reasonable efforts to find the apprentice a new employer.
- E256.6** 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. The main provider must negotiate a new price, if required, with the new employer and input this on the ILR.

- E256.7** 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 E256.2.
- E256.8** Where a new employer is not found within 12 weeks the main provider must record the apprentice as withdrawn and they must record the withdrawal reason as redundancy.
- E256.9** Where an apprentice is withdrawn because they have been unable to find a new employer, the main provider must provide a 'record of apprenticeship part-completion' to support the individual to find new employment. This record must include, as a minimum:
- E256.9.1** The apprentice details.
  - E256.9.2** The level and subject.
  - E256.9.3** The start date and planned end date.
  - E256.9.4** The percentage of the apprenticeship completed.
  - E256.9.5** A summary of the knowledge, skills and behaviours that the main provider considers they have developed and evidenced.
  - E256.9.6** In the case of apprenticeships with mandatory qualifications, the qualification, or units thereof, achieved.

## Flow chart: What to check in the case of redundancy



## Maternity, adoption and shared parental leave

### Maternity leave

**E257** An apprentice may carry out up to 10 days' work for her employer without bringing her maternity leave period to an end (referred to as keeping in touch or KIT days).

**E257.1** If an apprentice wishes to use any of her 10 designated KIT days to continue apprenticeship training and / or assessment, including end-point assessment, they may do so.

**E257.2** Apprentices will lose their entitlement to statutory maternity pay and may bring their statutory maternity leave to an end if they undertake more than 10 days' work (their KIT entitlement) during their maternity leave. This may not affect any contractual rights.



**E257.3** Where KIT days are to be used for off-the job training during a period of maternity leave, you are required to agree in writing, with the apprentice and the employer, certain details (see paragraph E261). A copy of this agreement is to be kept in the apprentice evidence pack.

### **Adoption leave**

**E258** An apprentice may carry out up to 10 days' work for their employer during their statutory adoption leave period without bringing their statutory adoption leave or adoption pay period to an end (referred to as keeping in touch or KIT days).

**E258.1** Where KIT days are to be used for off-the job training during a period of adoption leave, you are required to agree in writing, with the apprentice and the employer, certain details (see paragraph E261). A copy of this agreement is to be kept in the apprentice evidence pack.

### **Shared parental leave:**

**E259** An apprentice may work for up to 20 days during the shared parental leave period for each of their employers without bringing their leave to an end. These days are "shared parental leave in touch" (SPLIT) days. These are separate and additional to any KIT days during a period of maternity or adoption leave.

**E259.1** Where SPLIT days are to be used for off-the job training during a period of shared parental leave, you are required to agree in writing, with the apprentice and the employer, certain details (see paragraph E261). A copy of this agreement is to be kept in the apprentice evidence pack.

### **Paternal leave**

**E260** Statutory paternal leave is a maximum of 2 weeks. Any breaks of less than 4 weeks do not need to be reported to the ESFA. The expectation is that you would structure the off-the-job training delivery around any paternal leave allowing the apprentice to complete training as per the original plan.

### **The agreement**

**E261** Where an apprentice and employer wish to use KIT / SPLIT days to continue apprenticeship off-the-job training and / or assessment during a period of maternity, adoption, or shared parental leave, you must complete the following agreement. This agreement must be signed by all 3 parties and must include:

**E261.1** The apprentice's reason behind the request to continue apprenticeship training during KIT / SPLIT\* days;

**E261.2** The number of KIT / SPLIT\* days intended to be used and the type of training and number of hours proposed to be undertaken on these days. Any training carried out any KIT / SPLIT day would constitute a day's work (and therefore one KIT / SPLIT day);

**E261.3** The employer's support and endorsement of this use of KIT / SPLIT\* days;

**E261.4** The provider's support and endorsement of this arrangement;

**E261.5** An acknowledgement by the apprentice that in undertaking training and / or assessment, including end-point assessment, on KIT / SPLIT\* days this will impact on their entitlement to KIT / SPLIT\* days as well as statutory maternity / adoption / shared parental\* leave and pay (i.e. they may lose statutory maternity / adoption / shared parental\* leave and pay if KIT / SPLIT\* days are exceeded); and

**E261.6** An agreement by the employer and provider in relation to the timing of KIT / SPLIT\* days relative to the monthly payments that the provider will continue to receive if a break in learning is not utilised.

**E261.6.1** If there is a gap of 4 weeks or more between two KIT / SPLIT days, then a break in learning must be used to pause funding.

(\*delete as appropriate e.g. KIT / SPLIT, maternity / adoption / shared parental)

**E262** The intention of the policy arrangements described in paragraphs E257 to E261 is to allow an apprentice with minimal training left (less than the available number of KIT days) to complete their apprenticeship during their leave or to allow for an incremental return to training prior to returning to the workplace (e.g. to train with a cohort).

**E262.1** A break in learning must be used where an individual agrees, with their provider and employer, to take a break of at least 4 weeks from their apprenticeship (with or without a break from work) but plans to return to their apprenticeship in the future.

**E262.2** The maternity, adoption and shared parental leave policy and the use of KIT / SPLIT days is not designed to support sporadic activity during a long period of leave and you must, where possible, avoid multiple breaks in learning.

### **Recording off-the-job training during a period of maternity / adoption / shared parental leave**

**E263** During a period of maternity / adoption / shared parental leave, only the off-the-job training that is delivered on the KIT / SPLIT day(s) can be included towards the minimum off-the-job training requirement. At all other times during the leave period, the apprentice is not 'working' and therefore off-the-job training must not be delivered during this time and must not be included in the minimum requirement.

### **Actions for the provider and employer to take**

**E264** If the apprentice is not intending to use any KIT / SPLIT days to continue off-the-job training during their period of maternity / adoption / shared parental leave, please follow the guidance for breaks in learning (see paragraphs E277 to E278). The break in learning would be used for the full period of maternity / adoption / shared parental leave.

**E265** If the apprentice is intending to use KIT / SPLIT days to continue off-the-job training during their period of maternity / adoption / shared parental leave, please see paragraphs E279 to E280.

## Changing to a new version of a standard

- E266** The below funding rules apply where an existing apprentice wishes to move to a newer version of the same standard including those assigned new version costs under IfATE's revisions, adjustments and dispensations process.
- E267** Apprentices on programme on the earlier version of a standard may transfer to the latest version of the same standard (that is where the ST number remains the same) at any stage within their apprenticeship subject to meeting the rules on end-point assessment (see paragraphs E133 and E135).
- E267.1** Where an apprentice is on-programme on a standard which has been replaced with a new apprenticeship standard (that is with a new ST code), this would be treated as a change of programme.
- E268** Where an apprentice wishes to move to a new version of a standard, this must be agreed by yourself (employer), the apprentice and their provider.
- E268.1** You must update both the apprenticeship agreement and the training plan to reflect this agreement.
- E269** Where an apprentice changes version, you must make sure that the training and assessment they receive across the whole apprenticeship delivers occupational competence in all aspects of the new standard version and enables them to pass the end-point assessment
- E270** Apprentices must not move back to a previous version of the same standard once they have moved to a new version.
- E271** Apprentices who are returning from a break in learning may return to the version of the standard they were on before their break in learning, even where it has been closed to new starts.
- E272** If no end-point assessment organisation will be approved and available to deliver end-point assessment for the new version by the time the apprentice requires it, the apprentice must not transfer to the new version.
- E273** Where the apprentice is funded through the apprenticeship service, you must use the Standards versioning functionality to assign the apprentice on to the new version.
- E274** You must make sure that the combined duration of the apprentice's time on the legacy version and the new version meets the apprenticeship minimum duration requirements.
- E275** Where an existing apprentice moves versions, they will continue the same funding band that they started on.
- E276** You may choose to re-negotiate the price for the new version with the provider or the end-point assessment organisation. If the overall price you negotiate is more than the maximum allowed by the funding band for the standard that the apprentice started on, then you must pay in full the difference between the band maximum for the original standard and the total negotiated price.

## Summary of action following a change of circumstance

**Actions to take where there is a break in learning where the apprentice requires a break in their apprenticeship due to illness, parental leave, or other personal reasons.**

### **New for 1 August 2022**

**E294 to E295** - New rule: To reflect that where there is a break in employment of more than 30 days and up to 12 weeks, the main provider must, after 30 days, record the apprentice as on a break in learning. Where the apprentice does not re-start with a new employer after 12 weeks, the main provider must withdraw the apprentice from the programme. **Updated for version 1.**

**E277** The employer must:

**E277.1** Notify the main provider that the apprentice will be absent for a period of time

You may also:

**E277.2** Pause payments through your apprenticeship service account;

**E277.3** Review or update the duration of the break as necessary;

**E277.4** Un-pause the record in your apprenticeship service account when the apprentice returns to learning; and

**E277.5** Extend the practical period of the apprenticeship agreement as required.

**E278** The main provider must:

**E278.1** Record the break and restart dates in the ILR; and

**E278.2** Re-plan the delivery and agree a revised price, if required, with the employer when the apprentice resumes learning. This must be entered on the ILR. If a different price had been entered previously on the employer's apprenticeship service account, the revised price must also be entered here, on or before the new start date.

### **Effect on funding**

Funding from an employer's apprenticeship service account or government-employer co-investment stops until apprentice resumes their apprenticeship. Funding is capped across both periods of learning so that overall earnings do not exceed the funding band maximum. Funding will recommence based on the new start date in the ILR. All additional payments stop until apprentice resumes their apprenticeship. Any additional payments already made are retained.

**Actions to take where an apprentice is using KIT / SPLIT days to continue off-the-job training during a period of maternity / adoption / shared parental leave**

**E279** The employer must notify the main provider that the apprentice will be going on maternity / adoption / shared parental leave but will be using KIT / SPLIT days to continue off-the-job training. The employer must:

**E279.1** Discuss and agree the agreement (see paragraph E261) with the provider and apprentice, including when KIT / SPLIT days will be used against when a break in learning will be used;

**E279.2** When appropriate, pause payments through their apprenticeship service account;

**E279.3** When appropriate, un-pause the apprenticeship in their apprenticeship service account; and

**E279.4** Extend the practical period of the apprenticeship agreement as required.

**E280** The main provider must:

**E280.1** Discuss and agree the agreement (see paragraph E261) with the employer and apprentice, including when KIT / SPLIT days will be used against when a break in learning will be used

**E280.2** When appropriate, record the break and restart dates in the ILR.

**E280.3** When appropriate, re-plan the delivery and agree a revised price (if required) with the employer when the apprentice resumes learning. This must be entered on the ILR. If a different price had been entered previously on the employer's apprenticeship service account, the revised price must also be entered here, on or before the new start date.

**E280.4** Update the apprenticeship documentation with any extended dates (training plan, contract for services). Work with the employer to extend the apprenticeship agreement.

#### **Effect on funding**

Funding from an employer's apprenticeship service account or government-employer co-investment stops during a break in learning. Funding is capped across periods of learning so that the overall earnings do not exceed the funding band maximum. Funding and additional payments recommence when the apprentice resumes their apprenticeship. Any additional payments already made are retained.

#### **Actions to take when there is a change to the working hours of the apprentice during the programme (e.g. an increase or a decrease to original working hours)**

**E281** If there is a change of circumstance during the programme, in relation to the working hours of the apprentice, you must discuss and agree, with the provider and apprentice, if this change has a material impact on the current training plan.

**E282** The provider must document this discussion, which must include:

**E282.1** Whether the apprentice can continue to study for the same volume of off-the-job training hours per week;

- E282.2** Whether off-the-job training can still be delivered within the new working hours of the apprentice;
  - E282.3** Whether the ability of the apprentice to undertake end-point assessment is impacted and
  - E282.4** Whether the programme is being changed as a result of this discussion.
- E283** Where all parties agree that there is no material impact on the current training plan, the main provider:
- E283.1** Must not amend the apprenticeship documentation (apprenticeship agreement, training plan, contract for services)
  - E283.2** Must not amend the ILR
- E284** Where all parties agree that there is a material impact on the current training plan, the main provider:
- E284.1** Must agree with the employer and apprentice how the change impacts on the duration.
    - E284.1.1** If moving from full-time to part-time, please see paragraph E29.1;
    - E284.1.2** If moving from part-time to full-time, the programme must still meet the minimum duration and off-the-job training requirements.
  - E284.2** Must work with the employer to extend the apprenticeship agreement.
  - E284.3** Must amend the apprenticeship documentation (training plan, contract for services) to outline the new expected end date.
    - E284.3.1** The off-the-job training hours that were agreed at the beginning of the programme do not change (unless, as part of the discussion, it is also agreed that additional training is appropriate because of the change of circumstance).
  - E284.4** Must not amend the ILR (the planned learning end date on the ILR does not change once it is submitted (with the exception of a data input error at the beginning of the programme)).
    - E284.4.1** Note that there are no changes required to the apprenticeship service.

**Effect on funding**

Funding and additional payments remain unchanged.

**Actions to take when there is a change in price where the employer negotiates a revised training or assessment cost, or assessment cost is added after the start of the programme.**

**E285** Both the employer and main provider must:

**E285.1** Agree a new price.

**E285.2** Confirm the new price on the apprenticeship service. If funded by a transfer, both the sending and receiving employers may need to agree the new apprenticeship in the apprenticeship service.

**E285.3** Revise agreements and / or the training plan as required.

**E286** The main provider must update the price on the ILR.

#### **Effect on funding**

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. Additional payments are unaffected.

**Actions to take where the apprentice withdraws from the apprenticeship, where the apprentice is no longer employed by the employer and has withdrawn from their programme (not redundancy) OR the apprentice chooses to withdraw prior to completion but remains with the same employer.**

**E287** The employer must:

**E287.1** Notify the main provider that the apprentice has left; and

**E287.2** Stop payments through their apprenticeship service account. This includes where the apprenticeship is funded by a transfer. The stop date that you apply in your account must correspond with the date the apprentice withdrew from the apprenticeship.

#### **Effect on funding**

Funding from an employer's apprenticeship service account or government-employer co-investment stops. The employer co-investment must be reconciled to the date of withdrawal and a balancing payment may be made by us. All additional payments stop until the apprentice resumes their apprenticeship. Any additional payments already made are retained.

**Action to take where the apprentice starts a new role with the same employer and requires a different apprenticeship programme and the main provider remains the same.**

**E288** Both the employer and main provider must:

**E288.1** Agree a new price for training and assessment for the new apprenticeship, taking into account relevant learning from the first apprenticeship. If funded by a transfer, both the sending and receiving employers will need to agree the new apprenticeship in the apprenticeship service; and

**E288.2** Enter the details of the new programme, price and effective date on the apprenticeship service.

**E288.3** If funded via reserved funds you must contact the [apprenticeship service support desk](#).

### **Effect on funding**

Funding from an employer's apprenticeship service account or government-employer co-investment stops. Any employer co-investment must be reconciled to the date of withdrawal and a balancing payment may be made by us. Funding from an employer's apprenticeship service account or government co-investment for the second programme is made for the new programme. Each programme price is capped separately. Additional payments are received once for each apprenticeship.

The co-investment rate for the apprenticeship will be at the rate in force at the time it starts.

### **Action to take where the employer selects a different main provider where the apprenticeship remains the same.**

**E289** Both the employer and new main provider must:

**E289.1** Negotiate a new price, as set out in these funding rules. If funded by a transfer, both the sending and receiving employers will need to agree the new apprenticeship in the apprenticeship service; and

**E289.2** Update the apprenticeship service with the new price, new main provider and effective date.

**E289.3** If funded via reserved funds you must contact the apprenticeship service support desk.

### **Effect on funding**

Funding from an employer's apprenticeship service account or government-employer co-investment to the first main provider stops. Payments due to the first main provider are reconciled. Funding from an employer's apprenticeship service account or government co-investment for the second programme is made to the new main provider. The funding band cap and minimum duration will apply to the total cost across both main providers.

The co-investment rate for the apprenticeship will remain at the rate in force at the time it started.

The employer continues to receive additional payments. The original main provider retains any additional payments already made. Any remaining main provider additional payments not paid to the original main provider can be paid to the new main provider.

The number of days in learning with the first main provider are added to the days in learning with the new main provider to calculate when payments are due.

### **Action to take where the apprentice changes employer but continues the same apprenticeship with the same main provider**



## **Where there is no break in employment, or a break of 30 days or less**

- E290** The original employer must stop payments through their apprenticeship service account, using a stop date that corresponds with the date the apprentice changed employer. This includes where the apprenticeship is funded by a transfer. They can also stop co-investment, as appropriate.
- E291** The new employer and main provider must:
- E291.1** Agree a price for the remainder of the apprenticeship training and assessment taking into account relevant learning from the first employer. This price must be recorded in the ILR as a 'residual' price;
  - E291.2** Register the apprentice on the apprenticeship service, if appropriate, for funding to start;
  - E291.3** Confirm arrangements for and start paying, co-investment if appropriate; and
  - E291.4** Contact us if they are unable to register the apprentice on the apprenticeship service.
  - E291.5** If the apprenticeship is now being funded by a transfer, or continuing to be funded by a transfer, then the receiving (new) employer will need to register on the apprenticeship service and the transfer will need to be agreed by the sending employer. For more information on how transfers work, please refer to the '[Apprenticeships funded by transfer of levy funds](#)' section.
  - E291.6** If funded via reserved funds you must contact the [apprenticeship service support desk](#).
- E292** The main provider 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.

## **Where there is a break in employment of more than 30 days**

- E293** The original employer must stop payments through their apprenticeship service account, using a stop date that corresponds with the date the apprentice changed employer. This includes where the apprenticeship is funded by a transfer. They can also stop co-investment, as appropriate.
- E294** The main provider must:
- E294.1** Record the apprentice as on a break a learning on the ILR after 30 days;
  - E294.2** Ensure that a change of employer is declared on the apprenticeship service against the existing record to ensure that the same course is carried over to the new record one the apprentice restarts with their new employer.
  - E294.3** Withdraw the apprentice from the programme if they have not re-started with a new employer after 12 weeks.

**E295** The new employer and main provider must:

- E295.1** Agree a price for the remainder of the apprenticeship training and assessment taking into account relevant learning from the first employer. This price must be recorded in the ILR as a 'residual' price;
- E295.2** Use the [restart indicator in the ILR](#);
- E295.3** Register the apprentice on the apprenticeship service, if appropriate, for funding to start;
- E295.4** Confirm arrangements for and start paying, co-investment if appropriate; and
- E295.5** Contact us if they are unable to register the apprentice on the apprenticeship service.
- E295.6** If the apprenticeship is now being funded by a transfer, or continuing to be funded by a transfer, then the receiving (new) employer will need to register on the apprenticeship service and the transfer will need to be agreed by the sending employer. For more information on how transfers work, please refer to the '[Apprenticeships funded by transfer of levy funds](#)' section within the Employer or Employer-Provider Funding Rules (whichever is relevant).
- E295.7** If funded via reserved funds you must contact the [apprenticeship service support desk](#).

#### **Effect on funding**

Funding from the first employer's apprenticeship service account stops. Any employer co-investment due from the first employer must be reconciled. Funding continues based on agreement with the new employer using the funds in their apprenticeship service accounts, transfer of levy funds or government co-investment. The funding band cap will apply to the total cost across both employers.

Additional payments stop for the first employer, but they retain any payments already made. 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.

Main provider additional payments remain unchanged. The small employer co-investment waiver will stop if the second employer is not eligible.

**Where the apprentice is made redundant on or after 15 October and, on the day of dismissal, is within six months of the final day of the apprenticeship practical period OR they have completed at least 75% of the practical period.**

**E296** The employer must stop payments from their apprenticeship service account, including where the apprenticeship is funded by a transfer. The stop date that you apply in your account must correspond with the date the apprentice is made redundant.

**E297** The main provider must:

**E297.1** Support the apprentice to find a new job;

**E297.2** Retain evidence of when the apprentice was made redundant and report the change in employment status to us; and

**E297.3** Refer to the scenario within the [Apprenticeship Funding Rules for Providers](#) for action to take with the new employer, where a new employer is found.

#### **Effect on funding**

Funding from the first employer's apprenticeship service account stops. Any employer co-investment due from the first employer must be reconciled to the date of the apprenticeship agreement is terminated by reason of redundancy and any differences in employer co-investment received to those due must be repaid to the employer or main provider.

The apprentice is funded through 100% government co-investment until completion. Employer additional payments stop. Main provider additional payments remain unchanged.

**Where the apprentice is made redundant on or after 15 October 2020 and, on the day of dismissal, has completed less than 75% of the apprenticeship practical period and the remaining training represents a training duration of six months or more**

**E298** The employer must stop payments from their apprenticeship service account, using a stop date that corresponds with the date the apprentice is made redundant. This includes where the apprenticeship is funded by a transfer.

**E299** The main provider must:

**E299.1** Support the apprentice to find a new job (within 12 weeks);

**E299.2** Retain evidence of when the apprentice was made redundant and report the change in employment status to us

**E299.3** Where the apprentice is withdrawn, record the withdrawal reason as redundancy and issue the apprentice with a 'record of apprenticeship part-completion'

**E299.4** Refer to the scenario within the Apprenticeship Funding Rules for Providers for action to take with the new employer.

#### **Effect on funding**

Funding from the first employer's apprenticeship service account stops. Any employer co-investment due from the first employer must be reconciled to the date of the apprenticeship agreement is terminated by reason of redundancy and any differences in employer co-investment received to those due must be repaid to the employer or main provider.

The apprentice is funded through 100% government co-investment for up to 12 weeks. Employer additional payments stop. Main provider additional payments remain unchanged.

## Annex A: Eligibility criteria (who we fund)

### New for 1 August 2022

**Note:** Following a review of this section, the following updates have been made for version 1.

**E303** - Updates to the UK nationals in the EEA to include Switzerland section.

**E304** - Updated EEA nationals in the UK to EEA and Switzerland nationals in the UK with EU Settlement Status.

**E305** - A new section on Irish citizens in UK or Ireland.

**E306** - A new section on Irish citizens in EEA and Switzerland.

**E307**- Updates to the Non-UK nationals section.

**E308** - A new section on family members of EU Nationals.

**E309** - A new section on family members of an eligible person of Northern Ireland.

**E310 to E311** - A new section on joining family members under the EU Settlement Scheme.

**E312 to E314** - A new section on late applications to the EU Settlement Scheme.

**E315** - Updates to the individuals with certain types of immigration status and their family members section.

**E300** To use funds in the employer's apprenticeship service account or government-employer co-investment, the individual must have a valid and eligible residency status.

### UK nationals

**E301** UK nationals are eligible for funding if they:

**E301.1** Have been ordinarily resident in the UK, the [British Overseas Territories](#), or Crown Dependencies (Channel Islands and Isle of Man) for at least the previous three years before the start of the apprenticeship.

### Right of abode in the UK

**E302** The right of abode is a status under United Kingdom immigration law that gives an unrestricted right to live in the United Kingdom. It was introduced by the Immigration Act 1971. Individuals with the right of abode are eligible for funding if they:

**E302.1** Have been ordinarily resident in the UK, the [British Overseas Territories](#), or Crown Dependencies (Channel Islands and Isle of Man) for at least the previous three years before the start of the apprenticeship.

## UK nationals in the EEA and Switzerland

**E303** UK nationals and their family members eligible for funding if they:

**E303.1** resided in the EEA or Switzerland by 31 December 2020 (or resident in the UK, having moved there from the EEA or Switzerland after 31 December 2017), and

**E303.2** resided in the EEA, Switzerland, Gibraltar or the UK for at least the previous three years before the start of the apprenticeship; and

**E303.3** remained ordinarily resident in the UK, Gibraltar, the EEA or Switzerland between 31 December 2020 and the start of the apprenticeship and

**E303.4** their apprenticeship started before January 2028

## EEA and Switzerland nationals in the UK with EU Settlement Scheme (EUSS) status

**E304** EEA and Switzerland nationals who have obtained either pre-settled or settled status under the EU Settlement Scheme, and have lived continuously in the EEA, Switzerland, Gibraltar or the UK for at least the previous 3 years on the first day of their apprenticeship will be eligible for funding.

## Irish citizens in UK or Ireland

**E305** Irish citizens in the UK or Ireland who have been ordinarily resident in the UK and Islands, and/or Ireland for at least the previous 3 years on the first day of their apprenticeship will be eligible for funding.

## Irish citizens in EEA and Switzerland

**E306** Irish citizens are eligible for funding if they:

**E306.1** resided in the EEA or Switzerland by 31 December 2020 (or resident in the UK, having moved to the UK from EEA or Switzerland after 31 December 2017), and

**E306.2** resided in the EEA, Switzerland, Gibraltar or the UK for at least the previous 3 years on the first day of the apprenticeship and

**E306.3** remained ordinarily resident in the UK, Gibraltar, the EEA or Switzerland between 31 December 2020 and the start of the apprenticeship and

**E306.4** start their apprenticeship before January 2028

## Non-UK nationals

**E307** A non-UK national (with exception to those that fall into the categories above) is eligible for funding if they have been ordinarily resident in the UK and Islands for at

least the previous 3 years on the first day of their apprenticeship and have permission from the UK government to live in the UK (not for educational purposes) or have obtained pre-settled or settled status under EUSS.

## Family members of EU Nationals

- E308** A 'family member' is the husband, wife, civil partner, child, grandchild, dependent parent or grandparent of an EU national (principal). A family member is eligible for funding if:
- E308.1** where required to do so, they have obtained pre-settled or settled status under EUSS, and
  - E308.2** the EU national (principal) has obtained pre-settled or settled status under EUSS and has been ordinarily resident in the UK, EEA and/or Switzerland for at least the previous 3 years on the first day of their apprenticeship

## Family members of an [eligible person of Northern Ireland](#)

- E309** Family members of an eligible person of Northern Ireland (principal) are eligible for funding if:
- E309.1** they have been living in the UK by 31 December 2020 and
  - E309.2** they have obtained pre-settled or settled status under EUSS, and
  - E309.3** the eligible person of Northern Ireland (principal) has been ordinarily resident in the UK by 31 December 2020, for at least the previous 3 years on the first day of their apprenticeship

## Joining family members under the EU Settlement Scheme

- E310** Family members of an EEA or Swiss national can apply to EUSS after 30 June 2021, if they are joining them in the UK on or after 1 April 2021. They have 3 months to apply to EUSS from the date they arrive in the UK. They will have [temporary protection](#) and therefore be eligible for funding during those 3 months and pending the outcome of any EUSS application made during that period (and of any appeal).
- E311** The joining family member must also be ordinarily resident in the UK, Gibraltar, EEA, and/or Switzerland for at least the previous 3 years on the first day of their apprenticeship.

## Late applications to the EU Settlement Scheme

- E312** The closing date for EUSS was 30 June 2021 (except for joining family members of EEA or Swiss nationals). After this date, EEA and Swiss nationals applying for apprenticeships starting in the 2021 to 2022 academic year and beyond are generally eligible for funding only if they have been granted pre-settled or settled status under EUSS.
- E313** However, there may be individuals who have reasonable grounds for making a late application to EUSS and, there may also be some individuals who have made an EUSS application on time, but are still waiting on a final decision on their status from the Home Office, including those that have lodged an appeal. Once a valid application has been made to EUSS (evidenced by receipt of a certificate of application), the applicant will have temporary protection, pending the outcome of that application.
- E314** These individuals may be eligible for funding if they:
- E314.1** have been ordinarily resident in the relevant area for at least the previous 3 years on the first day of learning, and
  - E314.2** have a certificate of application, and
  - E314.3** are family members of EEA/Swiss nationals (if applicable)

## **Individuals with certain types of immigration status and their family members**

- E315** Any individual with any of the statuses listed below, is eligible to receive funding and is exempt from the three-year residency requirement rule. You must have seen the individual's immigration permission in these circumstances:
- E315.1** Refugee status;
  - E315.2** Discretionary leave to enter or remain;
  - E315.3** Exceptional leave to enter or remain;
  - E315.4** Indefinite leave to enter or remain;
  - E315.5** Humanitarian protection;
  - E315.6** Leave outside the rules;
  - E315.7** Ukraine Family Scheme;
  - E315.8** Ukraine Sponsorship Scheme (Homes for Ukraine);
  - E315.9** Ukraine Extension Scheme;
  - E315.10** Afghan Relocation and Assistance policy (formerly known as Locally Engaged Staff under the intimidation policy);

- E315.11** The husband, wife, civil partner and child of any of the above in this paragraph (that is paragraphs E315.1 to E315.11);
  - E315.12** Section 67 of the Immigration Act 2016 leave;
  - E315.13** Calais leave to remain;
  - E315.14** British Nationals evacuated from Afghanistan under Operation Pitting; or
  - E315.15** British Nationals evacuated from Afghanistan by the UK government before 6 January 2022
- E316** A child of a person who has received leave under section 67 of the Immigration Act 2016 will be eligible in line with rule E315.12 where they have been granted "leave in line" by virtue of being a dependent child of such a person.
- E317** A child of a person who has received Calais leave to remain will be eligible in line with rule E315.13 where they have been granted "leave in line" by virtue of being a dependent child of such a person.
- E318** 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.

## **Asylum seekers**

- E319** Asylum seekers are eligible to receive funding if they:
- E319.1** 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; or
  - E319.2** 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.
- E320** An individual who has been refused asylum will be eligible if they:
- E320.1** 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; or
  - E320.2** Are granted support for themselves under section 4 of the Immigration and Asylum Act 1999; or
  - E320.3** 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.

## **Children of Turkish workers**

- E321** A child of a Turkish worker is eligible if:



- E321.1** The Turkish worker was ordinarily resident in the UK on or before 31 December 2020 and has Turkish European Community Association Agreement (ECAA) rights or extended ECAA leave;
- E321.2** The Turkish worker is, or has been, lawfully employed in the UK; and
- E321.3** The child has been ordinarily resident in the EEA and / or Turkey for the full three-year period before the start of their programme and is resident in the UK on or before 31 December 2020.

## **Persons granted stateless leave**

**E322** A person granted stateless leave is a person who has:

- E322.1** Extant leave to remain as a stateless person under the immigration rules (within the meaning given in section 33(1) of the Immigration Act 1971).
- E322.2** Been ordinarily resident in the UK and Islands throughout the period since the person was granted such leave. The UK and Islands are England, Scotland, Wales, Northern Ireland, the Channel Islands and the Isle of Man.

**E323** A stateless person must:

- E323.1** Be ordinarily resident in the UK on the first day of the apprenticeship; and
- E323.2** Have been ordinarily resident in the UK and Islands throughout the three-year period preceding the first day of the apprenticeship.

**E324** Certain family members are also eligible under this category:

- E324.1** The spouse or civil partner of a person granted stateless leave (and who was the spouse or civil partner of that person on the leave application date), who is ordinarily resident in the UK on the first day of the apprenticeship and who has been ordinarily resident in the UK and Islands throughout the three-year period preceding the first day of the apprenticeship; or
- E324.2** The child of a stateless person or of the stateless person's spouse or civil partner (and who was the child of that stateless person or the child of the stateless person's spouse or civil partner on the leave application date), was under 18 on the leave application date, is ordinarily resident in the UK on the first day of the apprenticeship and has been ordinarily resident in the UK and Islands throughout the three-year period preceding the first day of the apprenticeship.

**E325** 'Leave application date' means the date on which a persons granted stateless leave made an application to remain in the UK as a stateless person under the immigration rules (within the meaning given in section 33(1) of the Immigration Act 1971).

## Immigration status

- E326** Any individual, or relevant family member, who has applied for an extension or variation of their current immigration permission in the UK is still treated as if they have that leave. Keeping this permission applies as long as the application was made before their current permission expired. Their leave continues until the Home Office make a decision on their immigration application.
- E327** An individual, or relevant family member, is considered to still have the immigration permission that they held when they made their application for an extension. Their eligibility would be based upon this status.

## Those in the armed forces or outside of England

- E328** 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:
- E328.1** Armed forces and Royal Fleet Auxiliary personnel and their family members to undertake a statutory English apprenticeship wherever they are based.
  - E328.2** Individuals of other nationalities serving as members of the British armed forces throughout their period of service and their dependants living with them on their postings, in the same way as members of the British armed forces and their family members. This does not apply to family members who do not join members of the armed forces and instead stay outside of England.
  - E328.3** 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.
  - E328.4** 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.

## Further information for 16 to 18-year-olds

- E329** 16 to 18-year-olds are eligible to be funded for an apprenticeship if any of the following clauses apply:
- E329.1** They are accompanying or joining parents who have the right of abode, leave to enter, or leave to remain in the UK;
  - E329.2** They are the children of diplomats;
  - E329.3** They are the children of teachers coming to the UK on a teacher exchange scheme;

- E329.4** They are entering the UK (where not accompanied by their parents) and are British citizens;
- E329.5** 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;
- E329.6** They are an asylum seeker;
- E329.7** They are placed in the care of the local authority; or
- E329.8** They meet the requirements for any other eligible category in this document.

**E330** 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**

**E331** Individuals who are nationals of certain British Overseas Territories are eligible for funding, ensuring they comply with the three-year rule on residence in the UK. These are as follows:

- Anguilla
- Bermuda
- British Antarctic Territory
- British Indian Ocean Territory
- British Virgin Islands
- Cayman Islands
- Falkland Islands
- Henderson Island
- Gibraltar
- Montserrat
- Pitcairn, Ducie and Oeno Islands
- South Georgia and the South Sandwich Isles
- St Helena and its dependencies
- Turks and Caicos Islands

**E332** For funding eligibility purposes, EEA and eligible overseas dependent territories are defined as all member states of the EU and Iceland, Liechtenstein, Switzerland, Norway and all the eligible British Overseas Territories and EU overseas territories. You can access a list of European Union (EU) member states on the [EU website](#).

**E333** 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.

**E334** The table below lists territories that are categorised as being within the EU and or territories that are categorised as being part of the listed countries such that they satisfy our residency requirements for the purposes of the funding rules.

Denmark	The following is part of Denmark: <ul style="list-style-type: none"> <li>• Greenland</li> </ul>
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	<ul style="list-style-type: none"> <li>• Faroe Islands</li> </ul>
Finland	<p>The following is part of Finland and the EU:</p> <ul style="list-style-type: none"> <li>• Aland islands</li> </ul>
France	<p>The following is part of France and the EU:</p> <ul style="list-style-type: none"> <li>• the French Overseas Department (DOMS) (Guadeloupe, Martinique, French Guiana (Guyana), Reunion and Saint-Pierre et Miquelon)</li> </ul> <p>The following is not part of the EU but is part of France:</p> <ul style="list-style-type: none"> <li>• New Caledonia and its dependencies</li> <li>• French Polynesia</li> <li>• Saint Barthélemy</li> </ul>
Germany	<p>The following is part of Germany and the EU:</p> <ul style="list-style-type: none"> <li>• Tax-free port of Heligoland</li> </ul>
Netherlands	<p>The following is part of the Netherlands:</p> <ul style="list-style-type: none"> <li>• Antilles (Bonaire, Curacao, Saba, St Eustatius and St Maarten)</li> <li>• Aruba</li> </ul>
Portugal	<p>The following is part of Portugal and the EU:</p> <ul style="list-style-type: none"> <li>• Madeira</li> <li>• The Azores</li> </ul>
Spain	<p>The following is part of Spain and the EU:</p> <ul style="list-style-type: none"> <li>• the Balearic Islands,</li> <li>• the Canary Islands,</li> <li>• Ceuta</li> <li>• Melilla</li> </ul>

To note: Andorra, Macau, Monaco, San Marino and the Vatican are not part of the EU or the EEA.

To note: “the Islands” means the Channel Islands and the Isle of Man.

# Glossary

## New for 1 August 2022

New or updated definitions include: accelerated apprenticeships, active learning, degree apprenticeship, diagnostic assessment, double funding, employer agreement, final day, flexi-job apprenticeship agency, front-loaded training, insufficient progress towards training plan, mentoring, onboarding, skills-scan, subcontract, subcontractor, subcontracting.

## A

### Accelerated apprenticeship

An accelerated apprenticeship is where the apprentice's planned duration is shorter (by at least 3 months) than the typical duration of the standard, based on prior learning. Minimum requirements of an apprenticeship must still be met, including the 12-month minimum duration and minimum volume of off-the-job training.

### Account

See 'Apprenticeship service account'

### Active learning

Active learning refers to the training that is being funded through the apprenticeship (i.e. off-the-job training and English and maths training). The apprentice must be involved in active learning throughout the apprenticeship, from the learning start date to the learning end date (the practical period). Active learning must take place at least every 4 weeks to underpin the monthly payment made to a provider (or a break in learning must be used).

### Additional learning support (ALS)

See 'Learning support'

### Additional payments

Extra funding to help with any additional costs of training specific groups of apprentices. The different types of additional payments are the 16 to 18 payment, the eligible 19 to 24 payment, learning support and the care leaver's bursary.

### Advanced learner loan

Loans for individuals aged 19+ to provide financial support towards tuition costs. These loans are paid directly to the college or training organisation. Not applicable to apprenticeships.

### Annual leave

Paid time off work that employees are entitled to. For full time apprentices, this is at least 28 days per year (statutory leave entitlement). It is not a break in learning.

### Apprentice

An individual who is doing an apprenticeship and engaged under an apprenticeship agreement (or alternative arrangement). Apprentices are employed. They work alongside experienced staff, gain job-specific skills, earn a wage, get holiday pay and time off for study related to their role.

### **Apprentice employment contract**

See 'Contract of service'

### **Apprentice rate**

This is the minimum hourly rate apprentices are entitled to if they are either:

- aged under 19
- 19 and over and in their first year of an apprenticeship

We encourage employers to pay more than the apprentice rate. View the National Minimum Wage rates.

### **Apprenticeship**

A job with training. This includes the training and end-point assessment for an employee. The full definitions of an approved English apprenticeship (standards) can be found in Part 1 of the Apprenticeships, Skills, Children and Learning Act 2009.

### **Apprenticeship agreement**

An apprenticeship agreement is between an employer and an apprentice, in accordance with the Apprenticeships, Skills, Children and Learning Act 2009 section A1.

### **Apprenticeship certificate**

A certificate used to provide formal recognition that an individual has achieved their apprenticeship and is therefore certified.

### **Apprenticeship funding rules**

View all apprenticeship funding rules.

### **Apprenticeship levy**

A levy on UK employers to raise funds to pay for apprenticeship training and assessment. It is charged at 0.5% of an employer's pay bill, but each employer receives an allowance of £15,000 to offset against their levy payment. Because of the allowance, only employers with an annual pay bill greater than £3m have to pay the levy. Levy payments are made monthly to HMRC.

### **Apprenticeship minimum wage**

See 'National Minimum Wage'

### **Apprenticeship service account**

The area on the apprenticeship service where employers can manage their funding and apprentices, view their account balance and plan their spending.

See also 'The apprenticeship service'

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

An organisation that recruits and employs apprentices on behalf of employers.

### **Assessment**

See 'End-point assessment' or 'On-programme assessment'

## **B**

### **Block release**

A concentrated period of time where the apprentice is training or studying at a place other than work as part of their apprenticeship. Block release may include training that is front-loaded at the beginning of the apprenticeship.

### **Break in learning**

When an individual takes a break of at least 4 weeks from their apprenticeship but plans to return to it in the future. This could be linked to a break from work (e.g. illness, maternity leave, or parental leave) or the apprentice could still be working but has agreed with their employer and provider to take a break in their learning.

See also 'Change of circumstances'

## **C**

### **Care leaver**

An individual aged 16 to 24 who was (or still is) in the care of their Local Authority.

### **Care leaver bursary**

An additional £1000 payment that we pay to care leavers. This is paid via the apprentice's training provider.

See also 'Additional payments'

### **Certificates**

Issued by awarding bodies to demonstrate an individual's qualifications, for example Level 2 English and maths. During audits, we may check certificates for proof of prior learning.

See also 'Prior learning'

### **Change of circumstance**

Changes in an apprentice's personal or employment circumstances, or to their apprenticeship. There are different actions to take and effects on funding depending on the type of change.

### **Co-investment**

See 'Government co-investment' or 'Employer co-investment'

For apprenticeships that started on or after 1 April 2019, employers (who either do not pay the levy or levy payers who have run out of levy funds) pay 5% towards the cost of apprenticeship training. The government will pay the rest (95%) up to the funding band maximum.

### **Commitment**

An internal term we use to describe an employer entering information in their apprenticeship service account.

### **Commitment statement**

See 'Training plan'

### **Complete early**

When an apprentice completes all their training and assessment (including end-point assessment) before the planned end date recorded by the provider on the ILR. If the apprenticeship has met the minimum 12-month duration, we will pay any outstanding amounts once we have been notified of completion. View the Technical Funding Guide for details about how payments are made.

### **Completion payment**

A payment we make to providers when an apprentice completes all their learning. This means taking the end-point assessment (the apprentice does not need to pass). This payment is 20% of either the total negotiated price or the funding band maximum, whichever is lower.

### **Contract for services**

A contract between a contractor and a client (e.g. a provider and an employer).

### **Contract of service**

A contract between an employee and employer.

### **Contribution**

See 'Co-investment' or 'Funding band'

## **D**

### **DAS**

See 'The apprenticeship service'

### **Degree apprenticeship**

A level 6 or 7 apprenticeship that mandates a full bachelor's or master's degree. The degree element can either be integrated or non-integrated into the apprenticeship.

An integrated degree apprenticeship has an end-point assessment which is integrated into the degree. There is no separate assessment. The Institute's policy on Degree Apprenticeship Standards has more information about the different types of integration.



A non-integrated degree apprenticeship features separate processes for the end-point assessment and the achievement of the degree element.

### **Delivery subcontractor**

See 'subcontractor'

### **Diagnostic testing / diagnostic assessment**

A diagnostic assessment is a form of pre-assessment where tutors can evaluate strengths, weaknesses, knowledge and skills before their instruction. An identical assessment may be given post-instruction to identify if course learning objectives have been met.

### **Digital account**

See 'Apprenticeship service account'

### **Disability**

See 'Learning difficulty or disability (LDD)'

### **Dismissal**

When an employee's contract of employment is terminated.

### **Distance learning**

Learning that is delivered remotely rather than face-to-face. For example, e-learning and webinars.

### **Double funding**

Where multiple funding sources are used for the same activity.

See 'Individuals who are not eligible for funding'

## **E**

### **Earnings adjustment statement (EAS)**

The earnings adjustment statement is how main providers / employer-providers claim funding that cannot be claimed through the individualised learner record.

### **Education, health and care (EHC) plan**

An education, health and care (EHC) plan is for children and young people aged up to 25 who need more support than is available through special educational needs support.

EHC plans identify educational, health and social needs and set out the additional support to meet those needs.

### **Eligibility**

This can refer to either learner eligibility or programme eligibility. In both cases the eligibility criteria must be met in order to access apprenticeship funding. Learner eligibility criteria

includes age and the right to work in England. Programme eligibility criteria includes the amount of off-the-job training needed and the duration of training needed.

### **Eligible costs**

Costs that directly relate to the delivery of training and on-programme assessment. Eligible costs make up the total negotiated price, which is paid for using funds from either an employer's apprenticeship service account or government-employer co-investment.

### **Employee**

An individual who has a contract of service. This does not include individuals who are self-employed.

### **Employer**

An organisation that has a contract of service and an apprenticeship agreement with an apprentice. This can include an apprenticeship training agency (ATA) or Flexi-Job Apprenticeship Agency (FJAA). This may also include a company or charity whose PAYE scheme the employer has connected to their apprenticeship service account. References to an 'employer' describe the whole organisation, not individual sites, locations, groups, or companies linked by directors.

### **Employer agreement**

Employers must accept this agreement to get or reserve apprenticeship funding. This agreement sets out the terms for use of the apprenticeship service by the employer and the obligations by which the employer agrees to be bound. It applies to all employers including those that pay the apprenticeship levy as well as those employers that do not pay the apprenticeship levy.

### **Employer co-investment**

This is where employers share the cost of training and assessing apprentices with the government. The following types of employers will pay co-investment: non-levy payers and levy payers who have run out of levy funds,

### **Employer-provider**

Any organisation who delivers some, or all, of the 'off-the-job' training element of an apprenticeship to their own staff and holds a contract with us through which we directly route funds from their apprenticeship service account or government-employer co-investment. The employer-provider will have overall responsibility for the training and on-programme assessment conducted by themselves, their delivery subcontractors and will have a contractual relationship for the end-point assessment conducted by an end-point assessment organisation. The payment for the end-point assessment is through the employer-provider.

### **End-point assessment (EPA)**

An assessment that takes place at the end of an apprenticeship, to make sure apprentices have reached the necessary level of competence to be awarded an apprenticeship.

### **End-point assessment organisation (EPAO)**

An independent organisation that employers can contract to carry out apprenticeship end-point assessments.

## **English and maths**

Two separate qualifications that apprentices require to achieve an apprenticeship. There are different types of English and maths qualifications. For example, functional skills, GCSEs and entry-level.

## **Entry-level**

See 'English and maths'

## **Evidence pack**

A collection of documents and information about an apprentice and their apprenticeship. It provides evidence that the apprentice exists, is eligible for funding and that the apprenticeship is being delivered in line with the funding rules.

## **Exceptional learning support (ELS)**

An additional payment that providers can claim if the cost of supporting an apprentice's learning support is £19,000 or more in a funding year.

See also 'Learning support'

## **F**

### **Final day**

Defined in legislation as the final day of the practical period. This is the equivalent of the learning end date on the ILR (there must be evidence of learning on this learning end date) and internally if also referred to as the "Gateway" between the practical period and the end-point assessment. The term Final day is used as a measure in the redundancy policy to determine if the apprentice will be fully funded to completion.

### **Flexi-Job Apprenticeship Agency (FJAA)**

An organisation that recruits and employs apprentices on behalf of employers. FJAAs are targeted at sectors or professions where existing employment models present a structural barrier to the greater use of apprenticeships.

### **Front-loaded training**

Where some off-the-job training is concentrated at the beginning of the apprenticeship. Note that where some off-the-job training is front-loaded, there must still be some delivery every 4 weeks to underpin the monthly payment made to providers.

### **Full time apprentice**

An individual engaged on an apprenticeship programme who works 30 hours or more per week.

### **Functional skills**

A type of English and maths qualification.

See also 'English and maths'

### **Funding band**

The financial range that the government will contribute towards the cost of delivering training and assessment for an apprenticeship standard. The range is between £0 and a defined funding band maximum. The maximum ranges from £1,500 to £27,000 and is the most that the government will contribute, including amounts that can be taken from a levy-paying employer's apprenticeship service account. Currently, there are 30 funding bands. They do not include costs for English and maths or additional payments for young people.

### **Funding rules**

See 'Apprenticeship funding rules'

## **G**

### **Gateway**

See 'Final day'

### **Gateway requirements**

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 any on-programme mandatory qualifications (where applicable) along with satisfactory evidence (as determined by the employer, in consultation with the main provider) that the apprentice has achieved the necessary knowledge, skills and behaviours set out in the standard.

## **GCSE**

See 'English and maths' or 'Prior learning'

### **Government co-investment**

This is where the government shares the cost of training and assessing apprentices with employers. The government will support the following types of employers: non-levy payers and levy payers who have run out of levy funds

## **H**

### **Higher apprenticeships**

An apprenticeship where the main learning is at level 4 or above. This is equivalent to a certificate of higher education or above.

### **Holiday**

See 'Annual leave'

## **I**

## **Immigration permission**

The permissions, or otherwise, granted by the government of the United Kingdom for an individual to reside here. Learners need immigration permission to study in the UK.

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

The primary data collection requested from training 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.

## **Individual learning plan (ILP)**

See 'Commitment statement'

## **Inducement**

Something that persuades or influences someone to do something. For example, if a provider offered extra training (not required for the apprenticeship) to an employer and included this in the total negotiated price. This is not allowed.

## **Ineligible costs**

Costs that must not be included in the total negotiated price. For example, apprentice travel costs and wages.

## **Initial assessment**

The process of identifying an individual's learning and support needs to enable the design of an individual training plan. It determines the learner's starting point for their apprenticeship programme.

## **Insufficient progress against the training plan**

Where the apprentice is more than 4 weeks behind on the planned delivery of off-the-job training (against the training plan) and the training has not been replanned or the apprentice has not been put on a break in learning. The replanning of training must be agreed with the employer.

## **(The) Institute**

The Institute of Apprenticeships and Technical Education

## **Integrated apprenticeship / standard**

See 'Degree apprenticeship'

## **K**

## **Knowledge, skills and behaviours (KSBs)**

These are set out in all apprenticeship standards; apprentices are required to learn them to be occupationally competent. KSBs are taught in off-the-job training and tested in the end-point assessment.

## **L**

### **Learning actual end date**

When learning towards the apprenticeship is complete. This can include off-the-job training and English and maths. There must be evidence of learning on this day.

### **Learning difficulty or disability (LDD)**

An apprentice having a learning difficulty or disability may form part of a need's assessment and if it directly impacts on their learning, they could be eligible for learning support.

See also 'Learning support'

### **Learning gap**

Where an apprentice has a gap in their learning or knowledge due to not having obtained certain skills or behaviours.

### **Learning planned end date**

When learning towards the apprenticeship is planned to finish.

### **Learning start date**

This is when learning, which is being funded by the apprenticeship budget, begins. It can include off-the-job training and English and maths. It does not include enrolment, initial assessment, or induction. There must be evidence of learning on this date.

### **Learning support**

Financial support that providers can claim to help with the cost of any reasonable adjustments directly related to an apprenticeship. Currently a fixed monthly amount of £150. Any extra cost can be claimed through the Earnings Adjustment Statement (EAS). Learning support must only be used to support apprentices who have been assessed as having a learning disability or difficulty and is not to be used to address learning gaps.

See also 'Additional payments'

### **Level 1**

See 'English and maths' or 'Functional skills'

### **Level 2**

See 'English and maths' or 'Functional skills'

### **Levy**

See 'Apprenticeship levy'

### **Levy-paying employer**

An employer, or group of connected employers, with a collective annual pay bill of over £3 million who therefore pay the levy.

## **M**

### **Main provider**

Any organisation holding a contract with us through which we directly route funds from an employer's apprenticeship service account or government 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 an end-point assessment organisation. The payment for the end-point assessment organisation is through the main provider.

### **Maternity leave**

See 'Parental leave'

### **Mentoring**

To be included as off-the-job training, mentoring must meet the definition of off-the-job training (new learning, relevant to the apprenticeship, not English and maths, delivered within normal working hours) and be documented in the training plan. The mentor must be a more senior or experienced member of staff. This does not include general line management. The apprentice must not be doing productive work.

### **Minimum duration**

The minimum length of time an apprentice must spend on training.

### **Minimum wage**

See 'National Minimum Wage'

## **N**

### **National Minimum Wage**

View the National Minimum Wage rates.

See also 'Apprentice rate'

### **Non-integrated apprenticeship / standard**

See 'Degree apprenticeship'

### **Non-levy paying employer**

An employer, or group of connected employers, with a collective annual pay bill of less than £3 million who therefore do not pay the apprenticeship levy.

### **Non-mandatory qualifications**

Qualifications that an apprentice does not require to achieve an apprenticeship. We will pay for any training within a non-mandatory qualification that overlaps with the knowledge, skills and behaviour requirements of the apprenticeship standard. The employer must pay for any peripheral costs such as registration, examination and certification.

### **Normal Working hours**

The apprentice's paid hours, not including any overtime. There are maximum weekly working hours. Apprentices must complete their apprenticeship (including any training) during their normal working hours.

## **O**

### **Off-the-job (OTJ) training**

Defined as training which is delivering new skills, is relevant to the apprenticeship and is not English and maths, which is delivered in the apprentice's normal working hours (but outside of their productive job role). From 1 August 2022, apprentices must spend at least 6 hours per week on off-the-job training; the volume delivered must be linked to the initial assessment of the apprentice and therefore may be more than 6 hours per week.

### **Onboarding (of the apprentice)**

Following the initial assessment, onboarding of the apprentice will include developing, agreeing and signing any relevant paperwork to support the programme, such as the training plan and agreeing a price with the employer. Onboarding does not count towards off-the-job training.

### **Online learning**

See 'Distance learning'

### **On-programme assessment**

Any assessment activity required as a result of mandatory qualifications. This is separate from the progress review, which discusses overall progress to date against the training plan.

### **On-the-job training**

Learning done during an apprentice's working hours to help them perform their job.

### **Ordinarily resident**

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.

## **OTJ**

See 'Off-the-job (OTJ) training'

## **P**



## **Parental leave**

When an employee takes time off work due to maternity leave, paternity leave, shared parental leave or adoption leave. Parental leave counts as a break in learning.

See also 'Break in learning'

## **Part time apprentice**

An individual engaged on an apprenticeship programme who works less than 30 hours per week.

## **Paternity leave**

See 'Parental leave'

## **Pay bill**

The total amount of money employers pay their employees each year.

## **Personal learning record (PLR)**

The personal learning record (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.

## **Planned learning end date**

Then learning is planned to finish.

See 'actual learning end date'

## **Practical period**

The period for which the apprentice is expected to work and receive training under an approved English apprenticeship agreement. The start date and then end date of the practical period (as recorded on the apprenticeship agreement and training plan) must align with the learning start date and the learning end date on the ILR.

## **Pregnancy**

See 'Parental leave'

## **Previous apprenticeship**

See 'Prior learning'

## **Previous rules**

There are different funding rules for different apprenticeship start dates. You must follow the funding rules that apply to each apprentice. View the funding rules for previous and other years.

## **Prior learning**

Previous learning that may count towards an apprenticeship. For example, work experience, education, training and qualifications. Before a learner starts an apprenticeship, providers must do an initial assessment of their existing KSBs to check if they are eligible. Then reduce the cost, duration and content of the apprenticeship if necessary.

See also 'Minimum duration'

### **Productive job role**

The job for which the apprentice has been employed by the employer.

### **Progress review**

A meeting of all parties (apprentice, employer and provider) to discuss the progress to date of the apprentice, against their training plan. Progress reviews must be carried out every 8-12 weeks.

### **Progression profiles**

Progression Profiles, developed in conjunction with employers and published by the Institute, demonstrating progression routes from T-Levels - including into apprenticeships and accelerated apprenticeships.

### **Provider Agreement**

A legally binding funding agreement between a provider and the Secretary of State. Providers must accept this agreement to manage apprenticeships on the apprenticeships service and receive funding from the Secretary of State.

## **R**

### **Receiving employers**

Employers (levy or non-levy paying) who receive a transfer of apprenticeship funds from a levy-paying employer.

See also 'Transfer of funds'

### **Redundancy**

The statutory definition of redundancy (Employment Rights Act 1996) identifies three sets of circumstances (business closure, workplace closure, diminished requirements of the business for employees to do work of a particular kind) and an employee's dismissal can be considered to be by reason of redundancy if one of these circumstances is the reason for the dismissal. Redundancy includes voluntary redundancy.

See also 'Change of circumstance'

### **Register of Apprenticeship Training Providers (RoATP)**

A list of organisations that are eligible to receive government funding to train apprentices. To be added to the register, organisations must pass tests on due diligence, financial health and tests on quality, capacity and capability.

## **Register of End-Point Assessment Organisations**

A list of organisations that are eligible to carry out independent end-point assessments of apprentices.

### **Re-sit**

Taking a mandatory qualification or the end-point assessment again, without any extra learning.

### **Retake**

Taking the end-point assessment again, after further training.

## **S**

### **Self-directed distance learning**

When an apprentice is working alone with online material. The material is not delivered in real time and there is no interactive support.

### **Sending employers**

Levy-paying employers who have unused apprenticeship funds in their apprenticeship service account and transfer them to another employer.

See also 'Transfer of funds'

### **Skills scan**

A skills scan is an assessment of the individual's knowledge, skills and behaviours (KSBs), as they relate to the apprenticeship standard. We are not prescriptive as to what tool or method is used for the skills scan, but it must evaluate and document the extent to which the individual meets each KSB and therefore which elements of the standard do not need to be re-taught. The assessment should be validated as accurate by the individual's line manager / employer.

### **Special educational needs (SEN)**

Learning, physical, or sensory needs that make it harder for someone to learn than most individuals the same age.

### **Standards**

An apprenticeship standard describes the occupation to which it relates and sets out the outcomes that persons seeking to achieve the standard are expected to attain in order to successfully complete the apprenticeship. Apprenticeship standards are approved and published by the Institute for Apprenticeships and Technical Education. Apprentices can only be enrolled against an apprenticeship standard once it is identified as 'approved for delivery' on the Institute for Apprenticeships and Technical Education website.

### **Subsidy control**

Using taxpayer-funded resources to provide assistance to one or more organisations in a way that gives an advantage over others. For example, grants, loans and tax breaks and the rules which may apply under the scope of the UK - EU Trade and Cooperation Agreement (TCA).

## **Statutory leave**

See 'Annual leave'

## **Subcontract**

An agreement entered into between the ESFA main provider and a subcontractor for the purposes of engaging the subcontractor to deliver part of the services on behalf of the main provider.

## **Subcontracting**

Any delivery to an apprentice's programme of learning by a separate legal entity. It does not matter if this is by a third party recruited to deliver on site (travel to teach), online learning or whether it is described as a service.

## **Subcontractor**

A separate legal entity or an individual (not an employee) that has an agreement (called a subcontract) with you to deliver any element of the education and training we fund. A separate legal entity includes but is not limited to companies in your group, other associated companies and sole traders. An individual could include a person who is a sole trader, self-employed, a freelancer or someone who is employed by an agency, unless those individuals are working under your direct management and control in the same way as your own employees. This does not include relationships between the provider and the end-point assessment organisation or the provider and other third parties providing services such as marketing.

## **Summary of changes**

See 'Changes from the previous document'

## **T**

### **The apprenticeship service**

The digital interface to services designed to support the uptake of apprenticeships. The service is aimed primarily at employers who engage with main providers and apprenticeship assessment organisations to deliver and facilitate the apprenticeship programme. It allows employers to choose and pay for, the apprenticeship training that they want and will support the uptake of apprenticeships. The service contains information coming from a range of different sources, including main providers.

### **This document**

This document refers to the Apprenticeship Funding Rules for Employers August 2022 to July 2023.

### **Time off**

See 'Annual leave'.

### **Total negotiated price (TNP)**

The price negotiated between an employer and main provider for all the eligible costs of an apprentice's training and assessment, after relevant prior learning has been taken into account.

See also 'Eligible costs' and 'Ineligible costs'

## **Training**

The delivery of training and on-programme assessment by a main provider or any organisation contracted for this purpose.

## **Training plan**

The training plan sets out the training that has been identified through the initial assessment as required to complete the apprenticeship. The plan also outlines how the apprentice will be supported to successfully achieve the apprenticeship. It must be signed by the apprentice, their employer and the main provider and all parties must retain a current signed and dated version.

## **Training provider**

Organisations that are 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.

## **Transfer of funds**

When levy-paying employers transfer any unused apprenticeship funds in their account to other employers.

## **Transfer to a new employer**

See 'Change of circumstances'

## **Transfer to a new provider**

See 'Change of circumstances'

## **U**

## **Unique learner number (ULN)**

A 10-digit reference number. You must use it to access or edit the personal learning record (PLR) of anyone that is in education or training and older than 14.

## **W**

## **Wage**

See 'Apprentice rate'

## **Withdrawal**

When an apprentice leaves or stops taking part in their apprenticeship before they have completed it. This could be temporary (i.e. a break in learning) and the apprenticeship can be restarted.

See also 'Change of circumstances'

### **Work experience**

The jobs that someone has had or the type of work they have done in the past. Also, when someone works for an employer on a short-term basis.

See also 'Prior learning'

### **Working hours**

See 'Normal working hours'

### **Written agreement**

The main provider must have a written agreement in place with the end-point 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 retakes and the transaction of payments.

## **Z**

### **Zero-hour contracts**

Contracts which do not specify a set number of hours for the employee to work.

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