



Skills Funding
Agency

**This document has
been withdrawn as it is
out of date**

Trailblazer Apprenticeships Funding Rules 2014 to 2015

Version 2

This document sets out the funding rules which apply to the new Trailblazer apprenticeship standards.

In setting out the rules we have provided additional context and explanation to help providers delivering training and assessment for the new Trailblazer apprenticeship standards.

These rules apply from 1 September 2014 to 31 July 2015 for all organisations in receipt of funding for the delivery of training or the assessment of Trailblazer apprenticeships for the funding year 2014 to 2015.

This document is supported by the [Guidance for recording Trailblazer apprenticeships in the Individualised Learner Record for 2014 to 2015](#).

We have developed the design, content and format of this document with the advice of and input from the employers, stakeholders and providers involved in the early Trailblazer groups. We welcome our feedback on this version so that we can continue to improve it. If you have any technical queries on the rules or comments on the document itself, please contact: trailblazerfundingenquiries@sfa.bis.gov.uk.

March 2015

Of interest to employers and providers delivering apprenticeship standards

Of interest to employers and providers delivering apprenticeship standards

Employers

- All the information you need to employ apprentices on the new apprenticeship standards.
- Information to help you identify the government funding and employer incentives you are eligible to receive.
- Funding information to support your discussions with training providers and assessment organisations.
- Guidance to inform your understanding of the funding system and information about when and how to make the employer co-payment for your apprentices.

Lead providers and providers

- Information to give you a clear understanding of the rules.
- Rules about how you can claim funding from us for the training you have delivered.
- Guidance about your role in agreeing a price for training with the employer.
- Information to help you understand the core government contribution.
- Information and guidance about incentive payments and how and when these must be paid to the employer.
- Rules about contracts and written agreements.
- Rules about subcontracting delivery to other providers.

Direct grant employers

- Specific rules for direct grant employers to help you understand how funding for apprenticeship standards will work for you.

Assessment organisations

- Information about your responsibilities for apprenticeship standards and the rules you will need to follow.

Apprenticeship training agencies (ATAs)

- Specific rules for ATAs about how, as the legal employer of the apprentice, you will need to make employer co-payments towards the cost of training and assessment.
- Information about how and when incentive payments can be paid to host employers.

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Introduction and purpose of the document

Introduction

1. This document sets out the funding rules for Trailblazer apprenticeships that start between 1 September 2014 and 31 July 2015, referred to in this document as 2014 to 2015. Apprenticeship standards, developed by Trailblazers, are open to all employers and providers. This document sets out the rules that those involved in training and assessing apprentices must comply with. It is also relevant to organisations employing apprentices to train on standards so they can ensure providers are delivering training and assessment in accordance with these rules.
2. The funding rules in this document are intended to ensure public funding is used to deliver education and training. The funding rules in this document form part of the terms and conditions of the funding agreement between the Chief Executive of Skills Funding (Chief Executive) and providers and employers who receive funding directly from the Chief Executive for Trailblazer apprenticeship provision. If you do not comply with these funding rules, you are in breach of the funding agreement with the Chief Executive. We will take action as set out in the funding agreement. Employers who do not have a funding agreement with the Chief Executive because they do not receive direct funding are also required to comply with the rules and failure to do so could result in the recovery of public funding.
3. The Chief Executive reserves the right to amend the rules. We will publish changes on our website.
4. As part of the implementation of the apprenticeship funding reform we are trialling new funding principles and seeking to work with employers and providers on pragmatic solutions to the opportunities and issues that develop during 2014 to 2015. This will mean that we may need to update the funding rules and guidance from time to time as Trailblazer apprenticeships progress.
5. The funding rules set out in this document and any published updates to these rules will apply for the duration of any Trailblazer apprenticeship where the apprentice starts an apprenticeship standard between 1 September 2014 and 31 July 2015.

How this document can help you

6. We have divided this document into 10 sections containing the funding rules and an explanation of the context of the rules to help organisations to meet the requirements placed on them. We have also provided quick-start guides and flow charts to show how the funding process works. The sections in the document are as follows:

Section 1: Quick-start guide for providers

- This section sets out the key steps you need to take to get an apprentice started on their apprenticeship.

Section 2: General principles for Trailblazer apprenticeships

- This section sets out the central principles that underpin all apprenticeships which employers, providers and apprentices must meet.

Section 3 onwards: Operational rules for employers and providers

- The remaining sections set out the rules on all operational processes relating to the delivery of Trailblazer apprenticeships.

Understanding the terminology

7. The terms 'we', 'our', 'us' and 'Skills Funding Agency (the Agency)' refer to the Chief Executive of Skills Funding and his staff.
8. We use the term 'funding agreement' to include the financial memorandum, contract for services and conditions of funding grant between the Chief Executive of Skills Funding and all employers and providers for the delivery of apprenticeship standard provision.
9. We use the term 'apprentice' to include all those who receive apprenticeship training and assessment through a Trailblazer apprenticeship standard funded by us.
10. We use the term 'this document' to refer to Trailblazer apprenticeships funding rules 2014 to 2015.
11. We use the term 'lead provider' to include any provider appointed by an employer, to take the co-ordinating role on their behalf to contract with other providers involved in the delivery and assessment of their apprenticeship programme. We also use the term 'lead provider' to include direct grant employers and group training associations who hold a current funding agreement with us.
12. We use the term 'provider' to include any organisation appointed by an employer and holding a current funding agreement with us or contracted through a lead provider for the delivery of training and/or assessment as part of the employer's agreed apprenticeship programme.
13. We use the term 'assessment organisation' to include any organisation appointed by an employer and contracted by a lead provider for the delivery of assessment as part of the employer's agreed apprenticeship programme.
14. We use the term 'apprenticeship' and 'apprenticeship standard' to cover the apprenticeship standards which are available for delivery in 2014 to 2015. This is defined as those standards which have been approved and have had their assessment plan approved.
15. We use the term 'employer' to mean the organisation that has a contract of employment with the apprentice.

Section 1 - Quick-start guide for providers

	What should I expect from the employer?	What do I need to do?
1. Choose the apprenticeship	<ul style="list-style-type: none"> The employer will select the apprenticeship standard to use for their apprenticeship and the associated funding caps for each standard are on our website. 	<ul style="list-style-type: none"> Market your services to employers so they are aware of the apprenticeship training you offer.
2. Prepare delivery of the apprenticeship	<ul style="list-style-type: none"> The employer will select the provider(s) to deliver the training and assessment of the apprentice, appointing a lead provider to co-ordinate the training programme. As part of this process they will agree a provisional price for these services with you. 	<ul style="list-style-type: none"> Prepare to agree with the employer a provisional price for the services to be delivered for the apprenticeship training and assessment. If you are the lead provider, your responsibility will be to co-ordinate with the other chosen providers to ensure the successful delivery of the apprenticeship training and the assessment.
3. Confirm funding eligibility	<ul style="list-style-type: none"> The employer will identify the apprentice. 	<ul style="list-style-type: none"> Once the apprentice is identified, as the lead provider, work closely with your employer in order to check and confirm whether they are eligible for the small employer and the 16- to 18-year-old apprentice incentive payments.
4. Finalise apprenticeship delivery	<ul style="list-style-type: none"> With the apprentice identified, the employer will now finalise a price with you for the delivery of the training and assessment based on the apprentice's needs. 	<ul style="list-style-type: none"> Work with your employer and finalise a price for the delivery of training and assessment, tailored to the individual apprentice and confirm the details in a written agreement. If you are the lead provider, make sure there are suitable subcontracting and payment arrangements with the other providers where necessary.
5. Start the apprenticeship	<ul style="list-style-type: none"> The employer can now employ the apprentice and complete an apprenticeship agreement with them before they start. 	<ul style="list-style-type: none"> Once the apprentice is employed, if you are the lead provider you will need to create an Individualised Learner Record (ILR) for each apprentice in order to register them with the Agency.
6. Train the apprentice	<ul style="list-style-type: none"> Throughout the delivery of the apprenticeship, the employer will transfer their cash contributions to the lead provider. 	<ul style="list-style-type: none"> Delivery of the apprenticeship can now begin. As the lead provider, continue to work closely with your employer to develop the skills, knowledge and behaviours for the apprentice as set out in the standard. Throughout the delivery, collect and report any cash contributions from the employer whilst also transferring any incentive payments from the Agency to the employer. The lead provider is also responsible for creating and updating the learning agreement, which acts as the evidence base for the apprenticeship.
7. Assess the apprentice	<ul style="list-style-type: none"> The employer will be involved in confirming that the apprentice has completed and achieved the apprenticeship standard. 	<ul style="list-style-type: none"> The nominated assessment organisation will deliver the end-point assessment. If you are the lead provider, co-ordinate and work with the assessment organisation and the employer to confirm that the apprentice has completed the apprenticeship standard.
8. Complete the apprenticeship		<ul style="list-style-type: none"> After the apprentice successfully completes the apprenticeship, if you are the lead provider, communicate and confirm the completion of the apprenticeship with the Agency and any other apprenticeship certification bodies. Also, if you are the lead provider, ensure that you transfer the completion payment in full to the employer.

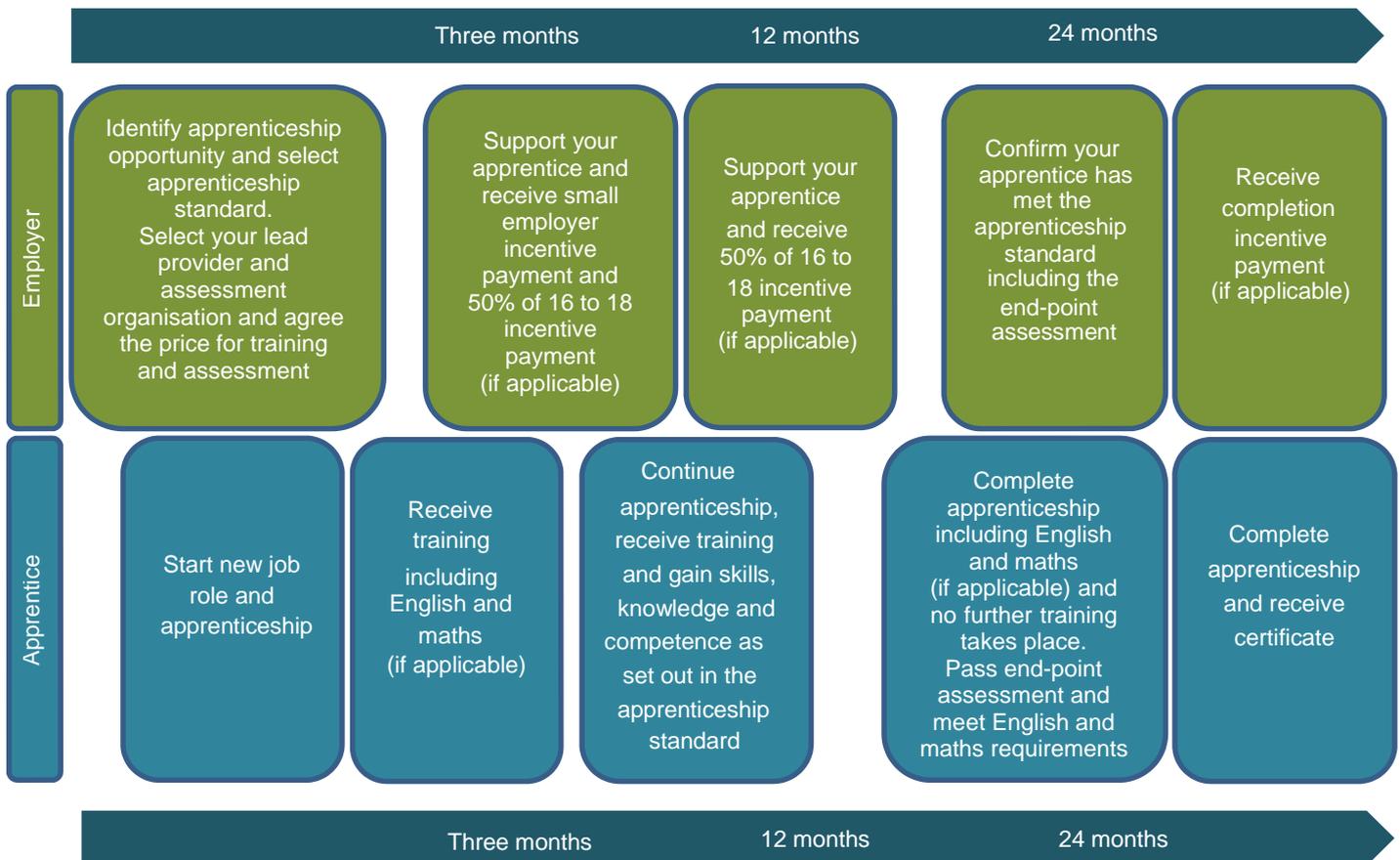
16. In addition to the **quick-start guide** above, this section provides the basic information you need to get an apprentice started.

16.1. The **example journey** flowchart below provides an overview of an example apprenticeship journey. It sets out key milestones and employer incentive payment points over a two-year time frame. Individual employers will decide how to complete these activities in the order and time that works best for their business. The actual time taken to complete an apprenticeship standard will vary from apprentice to apprentice and for different standards.

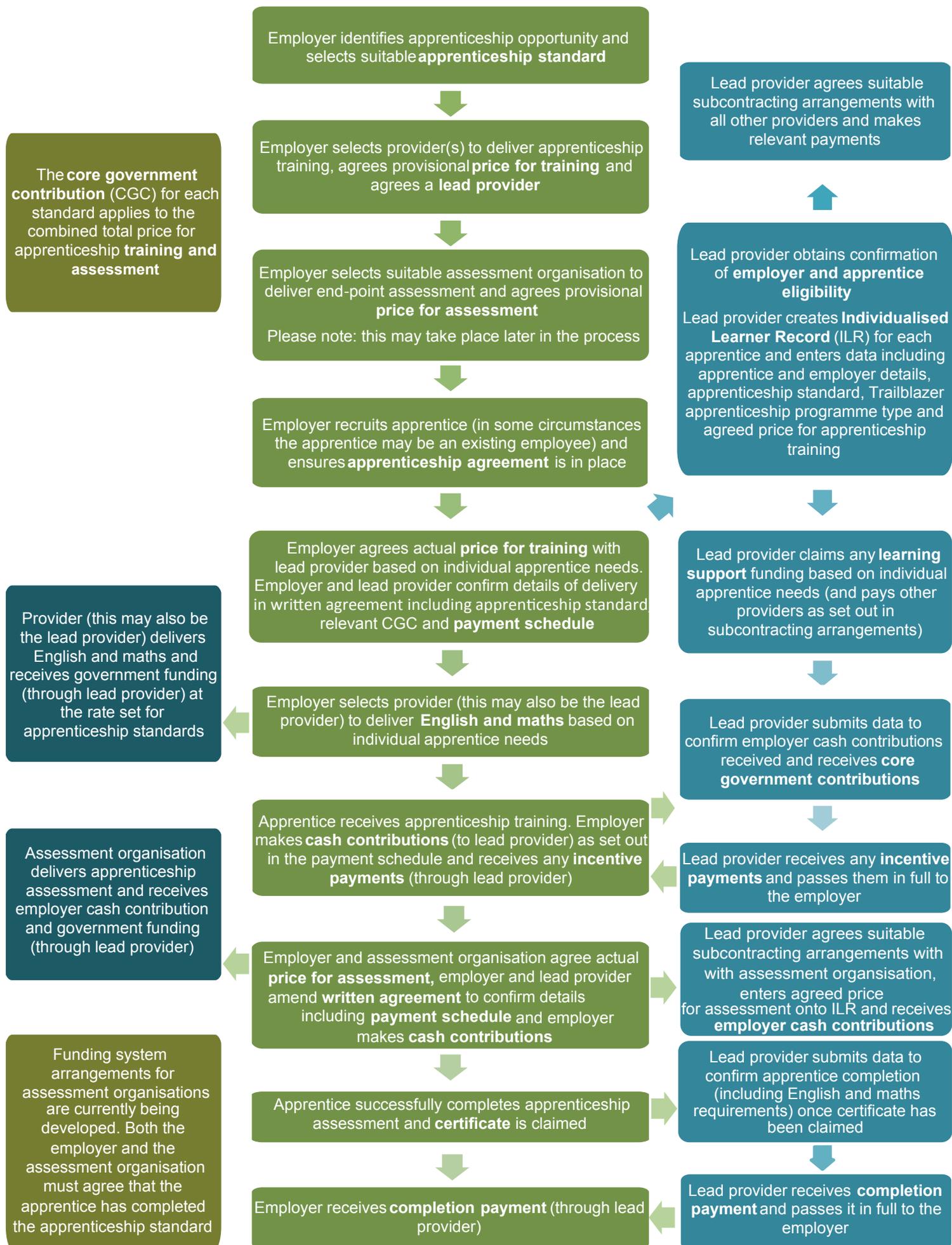
16.2. The **apprenticeship journey – 10 simple steps** sets out the typical tasks required for both employer and provider over the life of the apprenticeship. There is also a similar step-by-step summary in [Section 5 - Payment and payment processes](#) of this document.

Apprenticeships: an example journey

A small employer with a 16- to 18-year-old apprentice who completes their apprenticeship in two years.



The apprenticeship journey – ten simple steps



Section 2 - General principles for Trailblazer apprenticeships

17. This section sets out the principles that underpin the apprenticeship programme. These rules apply to all those involved in the delivery and assessment of apprenticeship standards.

Apprentices and the apprenticeship standard must be eligible for funding

18. Funding must only be claimed for apprentices assessed as eligible for funding as set out in these rules (please see [Section 3 - Who is eligible for funding, what can be funded and who can deliver apprenticeship standards](#)).
19. Only apprenticeship standards which have been approved for delivery can be funded. You can find a list of these on [our website](#).

Apprentices must be employed and paid a wage

20. All apprentices undertaking an apprenticeship standard must be employed at the start of the first day of their apprenticeship. The term 'employed' is defined as an individual who has a 'contract of employment'. This does not include individuals who are self-employed. If an employed apprentice becomes self-employed or unemployed during the apprenticeship, this will make their apprenticeship and funding ineligible at that point. When an apprentice is made redundant separate arrangements apply.
21. Lead providers must make sure that apprentices are in most circumstances employed for at least 30 hours a week (they are not allowed to be employed for fewer than 16 hours a week in any circumstances). If the employer believes there is a case for the apprentice working for fewer than 30 hours a week, they must:
 - 21.1. make sure that the apprentice is working for at least 16 hours a week
 - 21.2. record the proposed average number of hours each week and
 - 21.3. keep a record of the circumstances which have led them to believe a reduction in hours is appropriate (this will either be due to the apprentice's personal situation or because the industry or job role in which they are employed does not always offer the possibility of a 30-hour working week)
22. Employers must agree with their lead provider the average hours the apprentice will be 'at work' including paid training time and 'off-the-job' time with the employer, defined usually as a contracted number of hours every week. This must be recorded in the learning agreement (please see [Section 10 - Evidence requirements](#)), and the lead provider and the individual apprentice must have the opportunity to agree to these hours which will include periods of study.
23. Wages must be paid by the employer, not the provider.
24. Apprentices must be paid at least the minimum wage they are entitled to by law. For apprentices under the age of 19, or in the first year of their apprenticeship, the minimum is the apprentice minimum wage rate. After the first year, it is the national

minimum wage rate that applies to their age. For additional information please see the BIS [website](#).

Apprentices must be given the support and resources to complete their apprenticeship

25. Employers must make sure that the job allows the apprentice to gain the wider employment experience required by the apprenticeship standard and that they are able to complete all elements of the apprenticeship within their contracted working hours.
26. Employers must provide the apprentice with paid time to attend off-the-job training, including and explicitly any additional support for English and maths, or support accessed by the provider to support learners with learning difficulties and/or disabilities. This time must be included in the apprentice's usual hours of work.

Both government and employers must contribute towards an apprenticeship

27. Employers and lead providers must agree a price for the training and assessment required for an apprentice to undertake and complete an apprenticeship standard. The agreed price must only include the training and assessment necessary to meet the relevant standard.
28. The core government contribution (CGC) will not exceed the cap for the apprenticeship standard regardless of any final price agreed between the employer and the lead provider.
29. Where more than one provider is selected for the delivery of the apprenticeship by an employer, the employer must appoint a lead provider.
30. To meet the costs of training and assessment, government will invest a core government contribution of £2 for every £1 of investment made by an employer, once this price has been agreed, up to the maximum set for the standard. In this document we refer to this combination of government and employer investment as **co-payment**.
31. Each apprenticeship standard approved for funding has been allocated to one of five funding caps. The funding cap sets the maximum core government contribution the government will make for each apprenticeship standard and it applies to all apprentices, regardless of their age. This is set out in the table below.

Funding cap	Total value of training and assessment (£)	Core government contribution cap (£)	Employer contribution (£)
5	27,000	18,000	9,000
4	12,000	8,000	4,000
3	9,000	6,000	3,000
2	4,500	3,000	1,500
1	3,000	2,000	1,000

32. Employers can, if they choose, deliver part of the apprenticeship training and/or assessment in-house. Where employers choose to do this, the 'in-house' element is not eligible for the government core contribution and must not be included in the agreed price for the training and assessment of the standard which is reported in the ILR (Individualised learner record). Separate rules cover employers holding a direct grant. Please see [Section 8 - Additional rules for direct grant employers](#) for further details.
33. Employers must make a one-third cash contribution for any training and assessment purchased from an external provider. The government will contribute two-thirds of the agreed price for this externally delivered element. There is no minimum price requirement for the purchase of external training or assessment.
34. In certain circumstances, direct grant employers may make the employer contribution through evidenced costs incurred by their staff for the delivery of the apprenticeship standard. Separate rules cover employers holding a direct grant. Evidenced costs include the direct costs of the employer's training team engaged in the delivery of the apprenticeship standard. Direct grant provision is subject to full Ofsted inspection. Please see [Section 8 - Additional rules for direct grant employers](#) for further details.
35. Government will also fund the full cost of the following direct to the lead provider in 2014 to 2015.
- 35.1. An apprentice undertaking English and/or maths up to level 2 where this support is required.
- 35.2. Learning support, where this is required. Employers will receive additional incentive payments where they meet specific eligibility criteria

Employers will receive additional incentive payments where they meet specific eligibility criteria

36. To support small business engagement in apprenticeships, the recruitment and training of younger apprentices and to incentivise employers to train across the full apprenticeship standard, there are three employer incentives linked to the apprenticeship.
37. Employers will be eligible to claim the employer incentive payments when they contribute towards all or part of externally purchased training and/or assessment.

The value of the incentive payment is linked to the funding cap to which the standard is allocated. The three incentives are set out in the table below and comprise the following.

- 37.1. A payment for small businesses with fewer than 50 employees. This payment is in recognition of the additional costs that small employers can face when taking on an apprentice. This payment is available three months (90 days) after the apprentice starts their apprenticeship.
- 37.2. A payment for any employer taking on an apprentice aged 16, 17 or 18 at the start of their apprenticeship. This payment is intended to reflect the fact that such apprentices will require a greater level of supervision, guidance, education and induction in the workplace. This payment will be available in two equal payments, three months (90 days) and 12 months (365 days) after the apprentice starts their apprenticeship.
- 37.3. A payment when an apprentice successfully completes their apprenticeship.

Funding cap	Incentive				Training and assessment	
	For a 16- to 18-year-old (£)	For a small business (<50) (£)	For successful completion (£)	Maximum incentive payments (£)	Core government contribution cap (£)	Employer contribution (£)
5	5,400	2,700	2,700	10,800	18,000	9,000
4	2,400	1,200	1,200	4,800	8,000	4,000
3	1,800	900	900	3,600	6,000	3,000
2	900	500	500	1,900	3,000	1,500
1	600	500	500	1,600	2,000	1,000

- 38. Employers can only receive each eligible incentive once for each apprentice, for each apprenticeship.
- 39. Lead providers must provide employers with an employer incentive claim form and employers must use this form to claim any incentives they are entitled to receive through their lead provider. Please see [Section 5 - Payment and payment processes](#) for further details.
- 40. Lead providers will receive incentive payments from us on behalf of the employer. These must be passed, in full, to the employer within 10 working days of receipt of this funding from us. The only exception is where the employer fails to claim (or submits an incorrect employer incentive claim form to the lead provider), in line with the claiming process agreed between the employer and lead provider at the start of the apprenticeship. In these circumstances, the lead provider must make all reasonable effort to obtain a completed employer incentive claim form from the

employer. The incentive payment must then be passed to the employer within 10 working days of receipt of the employer's claim.

41. Lead providers must inform us if they have been unable to pass on any incentive payment after 40 working days of receipt.
42. Incentive payments are not linked to the payment schedule agreed between the employer and lead provider although the schedule may highlight when incentive payments are likely to be made.

All employers must appoint a lead provider

43. For 2014 to 2015 all funding for apprenticeship standards must be routed through a lead provider.
44. All employers must appoint a lead provider who will be responsible for receiving funding from us for the delivery of the apprenticeship standard and for making payments to both employers and any subcontracted providers including assessment organisations.
45. The employer and lead provider must agree a price and payment schedule for the apprenticeship standard and record the details in a written agreement. Please see [Section 7 - Contracts and written agreements](#).
46. We expect employers to make prompt employer contribution payments to their lead provider for the training and assessment they have received in accordance with the written agreement.
47. There is no prescribed format for the payment schedule. Employer payments can be made on a monthly, quarterly, or annual basis, or at any other time interval agreed by the employer and lead provider. The payment schedule will set out when the employer will pay their cash contributions to the lead provider and how much each contribution will be.
48. On receipt of each employer payment (one-third cash contribution), the lead provider will then claim the two-thirds corresponding government core contribution. For example, if the employer makes a payment of £100, the lead provider will report this to us through the ILR and receive £200 government core contribution.
49. The lead provider must record the apprentice's details on the ILR at the start of their apprenticeship. Please refer to the ILR guides and templates section of our [website](#).
50. Lead providers must make sure that each apprentice is assigned a unique learner number (ULN), if they do not already have one. This information must be accurate when they register apprentices for qualifications, the end-point assessment and completion (you can find more information on our [website](#)). Lead providers must provide the ULN to awarding organisations, assessment organisations, and all other relevant bodies involved in the delivery of the apprenticeship, for recording on any apprenticeship documentation regarding the apprentice and their apprenticeship.

Employers and providers should use the Apprenticeship vacancies service

51. Some employers have arrangements in place to advertise vacancies on the Apprenticeship vacancies (Av) service but in all other circumstances it will be the responsibility of the lead provider to advertise all vacancies using the Av service. Lead providers must also enter the details of successful applicants on the Apprenticeship vacancies website. You can find more information about Apprenticeship vacancies on our [website](#).

Employers and apprentices must sign an apprenticeship agreement

52. An apprenticeship agreement between an employer and an apprentice is needed at the start of the apprenticeship and must be in place for the entire length of the apprenticeship. Without it, a completion certificate cannot be issued. You can find more information on apprenticeship agreements on our [website](#).
53. The apprenticeship agreement must state that the apprentice will be carrying out an apprenticeship in a particular skill, trade or occupation under a qualifying apprenticeship standard.
54. The apprenticeship agreement can be in the form of a written statement of particulars under the Employment Rights Act 1996. Or, it can be a contract of employment or a letter of engagement where the employer's duty under the 1996 Act is treated as met.
55. Existing and new contracts of employment between the apprentice and employer that meet the 1996 Act will also meet the requirements of the apprenticeship agreement. This applies as long as they include a statement (which may be an annex) setting out the skill, trade or occupation linked to a relevant, approved apprenticeship standard, for which the apprentice is being trained.

All apprentices, their employers and lead providers must hold a learning agreement

56. Lead providers and employers must make sure that all apprentices who are funded by us have a learning agreement that sets out learning that will take place over the duration of the apprenticeship (please see [Section 10 - Evidence requirements](#)).
57. Lead providers are responsible for creating and updating the learning agreement.

Funding for apprenticeships supports progression in skills and learning

58. Lead providers and employers must ensure that all apprentices they claim funding for are carrying out a new job role, or if in an existing job role, that the individual needs significant new knowledge and skills and that an apprenticeship is the most appropriate learning programme for them.

59. For each apprentice, we will only fund a single apprenticeship standard at any one time. This means that if an apprentice wants to progress onto another standard, they must have completed their previous apprenticeship first.
60. Apprentices cannot be funded for an apprenticeship standard at the same time as an apprenticeship framework.
61. Apprenticeship funding supports individuals to progress to higher levels of learning. Apprentices who have successfully completed an apprenticeship at any level are not expected to start a second apprenticeship at the same or a lower level including movement from an apprenticeship framework to an apprenticeship standard. In most cases, apprentices will be expected to progress to a higher level. For example, a graduate with a level 6 degree would, in most cases, progress to a level 7 (or above) apprenticeship standard.
62. The only exception to this is where the apprentice starts a new job role which is in a markedly different occupation requiring a significant amount of new learning to take place, delivered over the minimum duration for the standard. In this case the apprentice would be eligible for funding for an apprenticeship at the same level, but no lower than, their current highest qualification. In this instance the lead provider must record this information in the learning agreement.

An apprenticeship must last a minimum of 12 months

63. We do not fund apprenticeships where the apprentice does not require sustained and substantial training to meet the standard. This includes cases where an apprentice only needs to attain a qualification or certificate specified within the apprenticeship standard or just take the end-point assessment to demonstrate competence against the standard. Lead providers must only start apprentices who need sustained and substantial training that meets the duration requirements set out below.
64. All apprenticeships for any age of apprentice must last for a minimum of 12 months or meet the minimum duration set out in the relevant standard where this is a mandatory requirement of more than 12 months.
65. Lead providers must make sure that employers and apprentices understand that the apprenticeship must last a minimum of 12 months.
66. Where an apprentice is working for fewer than 30 hours a week, the employer and lead provider must ensure that the minimum duration is extended in proportion to the hours worked.

Employers and providers must meet apprenticeship quality requirements

67. Lead providers involved in the delivery of training for an apprenticeship standard, are subject to Ofsted inspection.
68. Apprenticeship standards will not be included in success rate calculations for 2014 to 2015.

69. All those involved in the delivery of apprenticeship standards, whether they are the apprentice, employer, or lead provider have a responsibility to make sure that the actions they take uphold the reputation of the apprenticeship programme and do not bring the apprenticeship brand into disrepute.
70. Employers and providers must report, to us, any suspicion or concern they may have regarding any behaviour and/or practice that could undermine the reputation of the apprenticeship programme.

Section 3 - Who is eligible for funding, what can be funded and who can deliver apprenticeship standards?

71. This section sets out the rules for employers and providers about which individuals are eligible for funding as an apprentice and what kind of activities are eligible for funding from the combined employer and government co-payment for training and assessment. This section also explains the requirements for any organisation, including employers, that wishes to deliver apprenticeship training and/or assessment. Please see [Section 10 - Evidence requirements](#) for details of evidence requirements.

Eligibility for apprenticeship standard funding

Apprentice eligibility

72. To be eligible for funding, on the first day of learning an apprentice must be aged 15 or older and have legally left school. An apprentice cannot start until after the last Friday in June of the academic year in which they have their 16th birthday, usually known as year 11. There are no exceptions to this rule, even if the individual is no longer at school or is already in work.
73. Employers are accountable for checking and confirming their employee's eligibility at the start of each apprenticeship, and declaring this to the lead provider. Lead providers may conduct eligibility checks on behalf of the employer and can provide advice on eligibility. Lead providers are responsible for ensuring that the eligibility declaration is in place before the start of the apprenticeship and should retain a copy of the declaration for audit purposes.
74. Lead providers must only claim funding for apprentices assessed as eligible for funding by the employer against the residency criteria set out in [Annex 1 - apprentice eligibility for funding](#) of this document.
75. Most individuals living in the UK who want to take part in an apprenticeship will be eligible for funding if:
- 75.1. they are a citizen of the United Kingdom and Islands, have right of abode (the right to live permanently in the United Kingdom without any immigration restrictions), or are a citizen of a country that is within the European Economic Area (EEA)
 - 75.2. they have been ordinarily resident in the United Kingdom and Islands or the European Union (EU) or the European Economic Area (EEA) continuously for at least the previous three years on the first day of learning and
 - 75.3. the learning is taking place in England
76. Rules for individuals not meeting these requirements, including detailed residency eligibility criteria for funding are set out in [Annex 1 - apprentice eligibility for funding](#) of this document.
77. Eligibility for funding is based on the principle that any apprentice, of any age, must be able to complete the apprenticeship within the time that they have available.

Employers must confirm that this is the intention at the start of the apprenticeship. For example, if the employer knows an apprentice is planning to leave England in three months the apprentice would not be eligible for funding as all apprenticeships have a minimum duration of at least 12 months.

78. Once confirmed as eligible or ineligible, the eligibility status for that apprentice will not change for the length of their apprenticeship unless this relates to the employment status of the apprentice (please see [Section 6 - What to do when there is a change of circumstances during apprenticeship delivery](#)).
79. If we find that the apprentice was ineligible for incentive payments from the start of the apprenticeship, we reserve the right to recover both the costs of government contributions and incentive payments made to the employer through the lead provider. Lead providers will need to recover any funds from the employer, as set out in their written agreement.

Employer eligibility for incentive payments

80. Employers will be eligible to claim the employer incentive payments when they contribute towards all or part of externally purchased training and/or assessment. There is no minimum requirement for the amount of training and/or assessment that must be externally purchased in order for the employer to be eligible for the full employer incentive payments. The level of employer contribution is part of the information collated during the 2014 to 2015 trial to assess value for money.
81. Employers must confirm their eligibility for incentive payments to their lead provider through a signed employer eligibility declaration.
82. This eligibility status will remain the same for the duration of the employee's individual apprenticeship, regardless of any change to the employer's actual eligibility.
83. Changes in employer eligibility will only affect new apprentices beginning an apprenticeship after the change in eligibility takes place.
84. If we find that the employer was ineligible for incentive payments from the start of the apprenticeship, we reserve the right to recover both the costs of government contributions and incentive payments.

Small employer incentive

85. To be eligible for the incentive payment for employers with fewer than 50 staff, an organisation must have 49 or fewer paid full or part-time employees.
86. The eligibility status for the small employer incentive is set at the start of the apprenticeship and remains the same for the duration of that apprenticeship. The only exception is where an apprentice moves to a new employer before the small employer incentive payment is due. In this case, the eligibility status for the small employer incentive is set at three months (90 days).

16- to 18-year-old apprentice incentive

87. To be eligible for the incentive payment for employing an apprentice aged 16 to 18, an apprentice must be aged 16, 17 or 18 at the start of their apprenticeship.
88. The eligibility status for the 16- to 18-year-old apprentice incentive is set at the start of the apprenticeship and remains the same for the duration of that apprenticeship.

Completion incentive payment

89. Work is continuing to develop the arrangements for apprenticeship assessment and completion in conjunction with employers, providers and assessment organisations. Further advice about eligibility requirements for the completion incentive payment will follow when arrangements have been finalised.

What is eligible for funding in a Trailblazer apprenticeship?

90. We can only fund apprenticeship standards which have been approved for delivery. You can find a list of these on our [website](#).
91. For the funding year 2014 to 2015, apprenticeships up to and including level 7, that is, those which include higher education qualifications (for example, a degree or masters) are eligible for funding.
92. Lead providers must not claim funding for provision which is fully delivered outside England, unless we give them permission to do so. This rule applies to learning delivered on the provider's or the employer's premises, or learning where a variety of methods and locations is used.
93. We will not fund an apprenticeship delivered only by distance learning.
94. Only training that directly leads to the completion of an apprenticeship is eligible for core government contribution. The cost of all other training and development undertaken which does not directly lead to the completion of the apprenticeship must be met by the employer.

Use of co-payment funding

95. The combined co-payment funding, (both employer one-third contribution and the government two-thirds contribution) can only be used to fund externally purchased and delivered training and assessment required to meet the standard. Please see [Section 8 - Additional rules for direct grant employers](#) for specific rules for direct grant employers.
96. The price agreed between the employer and lead provider and recorded in the ILR must be used to pay for externally delivered training, education and assessment required to attain an eligible apprenticeship standard.
97. Employers choosing to deliver elements of training and/or assessment 'in-house' who do not hold a direct grant are not eligible to claim the government two-thirds contribution for any element of this 'in-house' apprenticeship provision. There are separate arrangements for the employer contribution for employers holding a

direct grant. These are set out in [Section 8 - Additional rules for direct grant employers](#) of this document.

98. Co-payment can only be used to pay for training, education and assessment required to attain the apprenticeship standard. This includes the following.
 - 98.1. On-the-job and off-the-job delivery through an externally-contracted provider.
 - 98.2. Planned ongoing assessment.
 - 98.3. The formal end-point assessment.
 - 98.4. Educational trips or professional events specified within the standard or assessment plan.
 - 98.5. E-learning (this can be included provided it is contributory to the standard and is part of a blended learning experience).
 - 98.6. Evidenced costs for employer direct delivery where the employer holds a direct grant with us.
 - 98.7. Any administration directly linked to the training, education and assessment related to the delivery of the apprenticeship.
 - 98.8. Re-takes for qualifications or assessment required by the apprenticeship standard (these are eligible only where extra learning must take place prior to the re-take); if necessary a new price can be agreed between employer and provider to include this additional learning. Any new price agreed will be subject to the relevant funding cap. If the new price exceeds the total value for training and assessment for the relevant funding cap, no further government contributions will be made and the employer will need to meet these additional costs directly.
99. The co-payment funding for apprenticeship standards is intended to support the direct costs of delivering learning and assessment. The costs of accommodation for learning delivered through residential modules are only eligible for co-payment funding where the residential learning element is a requirement for delivery of the module; or the module directly contributes to the apprentice achieving the standard. Any costs for residential modules agreed between the employer and lead provider must represent value for money.
100. Employers are therefore responsible for funding the following.
 - 100.1. Payment of apprentices' wages (please also see [Section 9 - Additional rules for recognised apprenticeship training agencies \(ATAs\)](#)).
 - 100.2. Company induction.
 - 100.3. Personal protective clothing and safety equipment required for apprentices to carry out their day-to-day work.
 - 100.4. Educational trips or trips to professional events not specified in the apprenticeship standard or assessment plan.
 - 100.5. Re-sits for qualifications or assessment required by the apprenticeship standard where no extra learning takes place before the re-sit.
 - 100.6. Employer's own administration costs for supporting the apprenticeship.
 - 100.7. Time spent by managers supporting apprentices, mentoring or the time of other staff arranging training support.
 - 100.8. Specific services not related to the delivery and administration of the apprenticeship; this includes bespoke or additional training or assessment which is not a requirement of the standard.
 - 100.9. Where, for convenience, employers or providers wish the apprentice to

live nearby whilst learning – for example, accommodation at a hotel for an apprentice chef.

101. The price agreed by the employer and the lead provider must include all the direct costs of learning. Apprentices should not make any cash contribution for training that is specified in the standard, or be asked to contribute financially to the direct cost of learning.
102. Professional membership and subscriptions, and the cost of trips to educational/sector-related events that are not specifically included within the apprenticeship standard, are not considered direct costs of learning. Employers may ask apprentices to pay either in full or contribute towards these costs.
103. Where providers offer services to an employer to support the delivery and administration of the employer's apprenticeship programme, these services should be detailed separately to the price for education, training and assessment and may be charged to the employer. The apprentice must not be asked to contribute to these costs.

Duplication of funding or learning

104. Lead providers (or their subcontractors) must not claim funding for any part of any apprentice's learning for their apprenticeship standard, which duplicates provision that the apprentice has previously undertaken and/or achieved from any other source. This could be from, for example, previous qualifications gained as part of a college course through a different funding stream we provide, another government department (for example, the Work Programme funded by the Department for Work and Pensions), the Education Funding Agency or the apprentice's employer.
105. Lead providers must make sure that an apprentice does not repeat learning that they have already carried out to achieve a qualification, unless this is English and maths within an apprenticeship standard where they must have up-to-date skills (please see [Funding for English and maths](#), in [Section 4 - How the apprenticeship is funded](#) of this document).

Recognition of prior learning

106. Where apprentices have already undertaken relevant prior learning towards their apprenticeship but still need sufficient apprenticeship training and assessment to meet the 12-month (or greater, where specified in the standard) minimum duration, their prior learning can be accredited. The provider must reflect this in the agreed price to acknowledge the degree of prior learning already accredited. The duration of the apprenticeship must be reduced accordingly but must still meet the minimum duration required by the apprenticeship standard.

Start dates and planned end-dates

107. Start dates and planned end-dates entered on the ILR must be for a minimum of 366 days or more where this is specified in the standard and the apprentice must be in learning on the anniversary of the date they started their apprenticeship.
108. We will recover funding from the lead provider where the ILR data shows the planned end-date and/or actual end-date is set below the minimum for each standard because this renders the apprenticeship ineligible for funding. An

apprentice leaving their apprenticeship programme early is not a breach of this rule.

Who can deliver apprenticeship standard training and assessment?

109. To be eligible for apprenticeship funding lead providers must be listed on our [Register of Training Organisations](#).
110. All independent assessment organisations must be listed on the Register of Assessment Organisations. We anticipate that the Register of Assessment Organisations will be launched by the end of March 2015.
111. The lead provider must also be an organisation that holds a funding agreement with us for the delivery of apprenticeships for the 2014 to 2015 year. Employers may select from any organisation on the list which they can find on our [website](#).
112. The lead provider is responsible for receiving all payments from employers and government relating to the delivery of the apprenticeship. This includes the government contribution, employer contribution and any eligible incentive payments for the employer. The lead provider is also responsible for making payments to any other provider who they contract with on behalf of the employer, including assessment organisations.
113. Any organisation acting as a subcontractor to a lead provider to deliver training must be on the Register of Training Organisations when the combined value of their subcontracts reaches £100,000 in a funding year.
114. Employers can if they wish deliver part of their training and/or their assessment in-house. However, employers will need to select a lead provider and agree a price for the remainder of the training and/or assessment to be delivered by eligible training and assessment organisations.
115. Where employers are delivering in-house training, the lead provider must register the apprentice at the start of their apprenticeship and record the price agreed for the external training or assessment, as required by us. The lead provider will also act as the payment route for employer incentive payments back to the employer.
116. Where a lead provider subcontracts with other organisations on behalf of the employer, the lead provider must ensure that the employer, the lead provider and any subcontracted providers understand the requirements of this subcontracting arrangement. For further details on subcontracting please see [Section 7 - Contracts and written agreements](#) in this document.

Apprenticeship assessment

117. Employers and lead providers must follow the assessment requirements set out in the approved and published assessment plan for the relevant standard.
118. Each apprenticeship standard has an approved and published assessment plan, detailing how apprentices will be assessed for that particular standard and what they need to have achieved in order to apply for their completion certificate. Apprentices can only be enrolled against an apprenticeship standard once the assessment plan has been approved and published on our [website](#).

119. All apprenticeships must have an end-point assessment, which allows the skills, knowledge and behaviours detailed in the standard to be assessed in an integrated way at the end of the apprenticeship. Apprentices will not be able to complete the apprenticeship without taking an end-point assessment.
120. To ensure independence in the assessment process, end-point assessment must involve a third party who does not stand to benefit financially from the outcome of the assessment. For example, using a third party independent of the provider or employer, or assessment in the presence of an external assessor from an awarding organisation, member of a professional body, another employer or through an independent assessment service.
121. Qualifications stated in the standard must be completed before end-point assessment and cannot be included or incorporated into the end-point assessment process.
122. The methods of assessment will vary across standards and may include: practical assessments, a spoken test, production of a project, a portfolio of work, observational assessment, written and multiple choice tests and virtual assessments, such as online tests.
123. Employers delivering in-house training can participate in the end-point assessment of their own apprentices but, again, this must be conducted in a way that ensures an impartial judgement is reached.
124. An employer delivering in-house training can also provide supporting evidence towards the end-point assessment such as an endorsement or employee records.
125. A pass grade in an apprenticeship must demonstrate full competency against the standard and there will normally be at least one grade above pass to recognise exceptional performance. For a small number of standards grading may not be applied due to assessments within the apprenticeship being aligned with external organisations or regulations which do not incorporate grading.

Employer Ownership Pilot (EOP)

126. Employers who have a contract to deliver EOP can decide how they wish to fund the delivery of apprenticeship standards; **either** through the funding model set out in this document, **or** through their agreed arrangements for the delivery of EOP. Individual employers will want to consider the source of funding and the balance of flexibilities and co-investment that best meets their needs.
 - 126.1. If employers choose to fund delivery of their apprenticeship standard through the funding model set out in this document, the employer and their chosen providers must comply with these rules and must not claim any funds for the apprenticeship through EOP.
 - 126.2. If employers choose to fund delivery of their apprenticeship standard through EOP the employer must not claim any funds, including the incentive payments, through the funding model outlined in this document.
127. Where employers hold an EOP grant, they will need to understand the potential impact of their choice of funding route on their participation key performance

indicators over the life of the EOP grant.

Innovation Code

128. Providers must not use the Innovation Code to deliver all or part of an apprenticeship standard.

Section 4 - How the apprenticeship is funded

129. This section sets out rules for employers and providers on all elements of funding included in and related to an apprenticeship. It also provides information on setting a price for the apprenticeship and on the employer's contribution and sets out the rules for employer incentive payments.

Government and employer co-payment for apprenticeship training and assessment

130. Each apprenticeship standard approved for funding has been allocated to one of five funding caps. This funding cap will set the maximum core government contribution that government will make for each apprenticeship standard. Please see the table below.

Funding Cap	Total value of training and assessment (£)	Core government contribution cap (£)	Employer contribution (£)
5	27,000	18,000	9,000
4	12,000	8,000	4,000
3	9,000	6,000	3,000
2	4,500	3,000	1,500
1	3,000	2,000	1,000

131. The core government contribution will not exceed the cap for the apprenticeship standard regardless of any final price agreed between the employer and the lead provider.

Agreeing a price for the delivery of the apprenticeship training and assessment

132. The total price agreed by the employer and their chosen providers for training and assessment may be set at any level, and is not constrained by, or subject to the funding cap to which the apprenticeship standard has been allocated.

132.1. An employer and provider may agree a price for training and assessment which is lower than the total value for the apprenticeship standard shown in the table above. In this case, the employer will pay one-third of this agreed price and government will pay two-thirds of the agreed price.

132.2. An employer and provider may agree a price for the training and assessment that is equal to the total value for the apprenticeship standard shown in the table above. The employer will pay one-third of this agreed price and government will pay two-thirds of the agreed price up to the value of the cap.

- 132.3. An employer and provider may agree a price for training and assessment which is higher than the total value for the apprenticeship standard shown in the table above. In this case, the employer will pay all of the funding cost above the core government contribution set for the standard.
133. The total price agreed by the employer and their providers for delivery of the training and assessment of an apprenticeship that is intended to be eligible for co-payment, must be recorded on the ILR by the lead provider at the start of the apprenticeship.
134. Employers and lead providers must only revise their agreed price for training and/or assessment when both employer and lead provider agree that:
- 134.1. a specific gap in the required training or assessment for the apprentice has been identified that was omitted in error from the original written agreement or
 - 134.2. a specific element in the training or assessment agreed for the apprentice has been identified as no longer needed
135. The price agreed must reflect all of the costs of the training and assessment for each apprentice. The price agreed for the training and assessment by the employer and lead provider will vary depending on the needs of the apprentice. For example some apprentices may have existing skills, knowledge or prior experience for a particular element within the standard which they should not be required to repeat. This reduction in the size of the apprenticeship delivery must be reflected in proportion within the agreed price for the training and assessment.
136. The employer and lead provider must agree a payment schedule over the duration of the apprenticeship and this must be included in the written agreement. Please see [Section 7 - Contracts and written agreements](#).
137. Prompt payment of contributions by employers for training and assessment delivery and by lead providers for incentive payments are part of the principles of the partnership arrangements which support the apprenticeship. All parties are expected to make prompt payments in accordance with the written agreement secured at the start of the apprenticeship.

Value added tax (VAT)

138. Providers are responsible for determining the VAT treatment on their invoices to employers.
139. If a provider adds VAT on its invoices to an employer and that employer is VAT registered, the employer may be able to recover that VAT through its VAT returns. In determining the costs of training and/or assessment an employer will need to check with the provider if VAT will be added and verify, internally or with HMRC, if it can be recovered.
140. Providers and employers should seek VAT advice from HMRC if they are in any doubt about the VAT treatment.
141. Lead providers must enter the agreed prices for training and assessment on to the

ILR. The figures must not include the VAT element, where this exists.

142. Whilst providers and employers should always seek their own VAT advice, we consider that incentive payments are beyond the scope of VAT and therefore VAT should not be charged on them.

Employer contribution

143. Employer cash contributions must be in the form of a transfer of funding visible in both employer and provider financial systems. The value of each cash payment must be recorded in the ILR and documentation must be in place to support this. This will typically be in the form of a provider invoice and corresponding employer payment. Please see [Section 8 - Additional rules for direct grant employers](#) of this document.
144. Evidence of cash contribution payments made by the employer must be retained and recorded for audit purposes, with receipts and invoices of monies received by the lead provider.

Employer incentive payments

145. In addition to the core government contribution and employer contribution, which pay for the training and assessment in the apprenticeship, employers may be eligible for up to three employer incentives. Employers will be free to use the incentive payments as they wish, including meeting the wider costs of employing an apprentice.
146. Regardless of the price agreed for training and assessment, the full value of the incentive set out in the table below will be paid to the employer. There are separate arrangements in place for ATAs (please see [Section 9 - Additional rules for recognised apprenticeship training agencies \(ATAs\)](#) of this document.
147. Employers must make a co-payment towards the training and/or assessment to be eligible to receive incentive payments. Employers choosing to deliver all of the training and assessment for the standard in-house will not be eligible for any of the employer incentive payments.

Funding cap	Incentive				Training and assessment	
	For a 16- to 18-year-old (£)	For a small business (<50) (£)	For successful completion (£)	Maximum incentive payments (£)	Core government contribution cap (£)	Employer contribution (£)
5	5,400	2,700	2,700	10,800	18,000	9,000
4	2,400	1,200	1,200	4,800	8,000	4,000
3	1,800	900	900	3,600	6,000	3,000
2	900	500	500	1,900	3,000	1,500
1	600	500	500	1,600	2,000	1,000

148. It is the employer's responsibility to check and declare their organisation and employee eligibility status for any incentive payments at the start of the apprenticeship. Employers may ask their lead provider to help with their eligibility checks.
149. Providers must hold a signed, original eligibility declaration(s) from the employer at the start of the apprenticeship which confirms eligibility for any incentive payments.
150. Providers must not start any delivery without this original signed declaration.
151. Incentive payments are made at set points, counted from the programme start date as recorded on the ILR.
152. An employer must only receive each eligible incentive payment once for each apprentice. If an apprentice is employed by a new employer, the new employer may, in certain circumstances, also be entitled to receive incentive payments. Please see [Section 6 - What to do when there is a change of circumstances during apprenticeship delivery](#) of this document for more information.
153. The Apprenticeship Grant for Employers (AGE) cannot be claimed for apprentices undertaking an apprenticeship standard. AGE is a separate government grant, and is only available for eligible employers employing apprentices on an apprenticeship framework. You can find more information about AGE on our [website](#).

Funding for English and maths

154. Government will cover the full cost of English and maths taken up to level 2 as part of an approved apprenticeship standard. Employers will not need to make an employer contribution and we will fund lead providers directly for this delivery.
155. If English and maths at level 3 is a requirement for completion of the apprenticeship standard, it must be funded from the core government contribution and employer contribution. This needs to be factored into the agreed price for training and assessment by the employer and lead provider.
156. The lead provider must enter the appropriate English and maths learning aim(s) onto the ILR and claim the funding from us.
157. English and maths functional skills or GCSE qualifications are eligible for funding at a flat rate of £471 for each learning aim, regardless of the age of the apprentice. The funding is earned in equal payments between the start and planned end dates for the learning aim.
158. Unless apprentices have achieved their level 2 English and maths, they will be required to take level 2 English and/or maths and must study and take the test before the end-point assessment of the apprenticeship standard. Apprentices will not need to have achieved level 2 English or maths (or both) unless it is a mandatory element of their apprenticeship standard. For advanced and higher apprenticeships, the apprentice must achieve level 2 English and maths. This must be achieved prior to taking the apprenticeship end-point assessment.

159. Where an apprentice holds level 2 GCSEs or functional skills in English and/or maths which are under five years old, we would not typically expect further learning in English and/or maths to be needed. For those with level 2 English and/or maths over five years old we would expect providers to conduct an assessment of whether or not an apprentice needs to do either English and/or maths qualifications again to support them in reaching the standard.
160. Apprentices must start English and/or maths at level 2 unless the provider has conducted a formal, recognised assessment that demonstrates they need to study to level 1 first in order to successfully achieve their level 2. In such exceptional cases, funding will be available for both levels within the duration of the same apprenticeship.
161. Lead providers must offer level 2 functional skills or GCSE qualifications in English or maths (or both) to those apprentices who have not yet achieved level 2 in English or maths (or both), whether or not this is included in an apprenticeship standard.
162. If the employer ceases trading or the apprentice is made redundant, the apprentice is permitted to continue with their English and maths at level 1 or level 2 if they are able to do so. The provider can continue to claim funds at the £471 apprenticeship rate.

Funding for learning support

163. Learning support is provided to help providers to work flexibly and provide support activity to meet the learning needs of their apprentices. This will enable these apprentices to achieve their learning goal and make the most of their potential. Learning support funding will also provide funding for providers to meet the cost of reasonable adjustments as set out in the Equality Act 2010.

Learning support conditions

164. Learning support funds are available to support apprentices where there is an identified eligible need for additional support for the apprentice to complete their apprenticeship. Lead providers will claim this through the ILR and pass payments to other providers as set out in subcontracting arrangements.
165. Learning support should not be used to deal with everyday difficulties that are not directly associated with an apprentice's learning on their programme.
166. The lead provider must make sure that the employer and their apprentice are aware of any learning support accessed and how this is being used.
167. Learning support funding is not included within the core government contribution and will be fully funded through the adult skills budget.
168. Learning support may be used if learning continues past the planned end-date and the apprentice still needs support.
169. We will review whether providers' use of learning support funds represents good value for money. If we consider that the funding we have provided is significantly more than the cost of the support provided, we may reduce the amount of funding

we pay to lead providers.

170. Learning support will be earned at a fixed monthly rate if it has been reported in the ILR against an apprenticeship programme aim. We expect the total providers earn from the monthly rate to be enough to cover their costs. If the cost of providers providing support to an apprentice goes above the total earned from the fixed monthly rate, and lead providers provide evidence of the excess, they will be able to claim this excess using the earnings adjustment statement (EAS). Please see the EAS guidance on our [website](#) for further information.
171. If an apprentice requires learning support for less than one calendar month they must claim the value of the learning support as if it were all excess, using the earnings adjustment statement.
172. To claim learning support funding lead providers must:
 - 172.1. carry out a robust assessment to identify the support the apprentice needs
 - 172.2. agree and record the outcome of their assessment in the learning agreement
 - 172.3. deliver support to meet the apprentice's identified needs, and review progress and continuing needs, as appropriate
 - 172.4. record all outcomes on the learning agreement and keep evidence of the assessment of the needs and
 - 172.5. report, in the ILR, that an apprentice has a learning support need associated with the programme aim, by entering code LSF1 in the 'Learning Delivery Funding and Monitoring' field and entering the corresponding dates in the 'Date applies from' and 'Date applies to' fields

Exceptional learning support claims above £19,000

173. Some apprentices may need significant levels of support to start or continue learning. These apprentices are unlikely to be planning to take part in learning without careful consideration of their needs and the ability to meet them, and there will be other agencies involved in their care and support. These apprentices can get access to exceptional learning support if their support costs more than £19,000.
174. Apprentices aged 19 to 24 requiring significant levels of support would normally be expected to have an education, health and care plan provided by their local authority.
175. Where you are seeking to claim exceptional learning support above £19,000 for an apprentice aged 19 to 24 who does not have an education, health and care plan, you will have to confirm why the apprentice does not have an education, health and care plan.
176. Lead providers must:
 - 176.1. first get agreement from our Central Delivery Service for apprentices whose support costs more than £19,000 in a funding year, by filling in the learning support costs form
 - 176.2. get further agreement if the apprentice's support needs change significantly during their learning and

176.3. make payment claims for apprentices' exceptional learning support in 2014 to 2015 by 27 October 2015

European Social Fund (ESF) match funding

177. For 2014 to 2015 providers (or employers) must not use any of the employer's cash contribution to apprenticeships as match funding for ESF or any other funding stream or source.
178. It is not currently our intention to use Trailblazer apprenticeship funding as ESF match funding, however we reserve the right to do so in the future.

State Aid

179. We consider that government contributions and additional incentive payments for apprenticeship standards should not, in so far as they are general measures within the national education system, fall within the scope of state aid control during 2014 to 2015.

Section 5 - Payment and payment processes

180. This section sets out additional rules for employers and providers regarding apprenticeship payments and payment processes. You should read this in conjunction with the ILR guides and templates section of our [website](#).

- 180.1. The **Apprenticeships – a quick guide to payments and payment processes** diagram on page 34 sets out the key payment processes for apprenticeship funding including when each incentive payment is made.
- 180.2. The **Apprenticeship funding and payments – nine simple steps** flowchart on page 35 sets out in more detail how funding payments are made to lead providers and employers.

Core government contribution and employer contribution payments

- 181. For the funding year 2014 to 2015 we will fund the core government contribution and any eligible employer incentives through the lead provider.
- 182. Employer co-payment does not need to be paid in full at the start of the apprenticeship. This will be paid according to the payment schedule agreed with the lead provider over the duration of the apprenticeship and can include any combination of dates and values over the life of the apprenticeship.

Incentive payments

- 183. The lead provider must complete and submit the ILR in line with the ILR collection timetable and timeliness standards to ensure that there are no delays with the processing of any incentive payments which the employer is eligible to receive. Lead providers are responsible for ensuring that an absence of or incorrect ILR data does not cause a delay to the payment of incentives.
- 184. Lead providers must provide employers with an employer incentive claim form to enable them to claim any eligible employer incentives. The claim form must contain at least the following.
 - 184.1. Name of the employer making the claim.
 - 184.2. Date the claim is being made.
 - 184.3. Name of the lead provider.
 - 184.4. Start date of the apprentice(s) being claimed for.
 - 184.5. Name(s) and date(s) of birth of apprentice(s).
 - 184.6. Apprenticeship standard(s).
 - 184.7. Amount of money being claimed for each apprentice.
 - 184.8. Type of incentive being claimed for each apprentice, for example, first 16- to 18-year-old incentive payment due at three months (90 days) after the start of the apprenticeship.
 - 184.9. Total amount of incentive payments being claimed on the form.
 - 184.10. A signed declaration from the employer that the information provided is correct and they are not claiming money they have previously claimed and/or received.
- 185. Lead providers must retain claim forms received from employers for audit purposes.

186. The lead provider must pass on the full value of each incentive payment to the employer within 10 working days of receipt of the funding from us (please see paragraph 40 for the exception to this). If the lead provider fails to make the payment within this timescale we reserve the right to deduct the sum due to the employer from payments due to the lead provider and pay the employer directly.

Recovery of funds

187. We may take action including to recover all or part of government funding from lead providers where we are satisfied that there has been a breach of the funding rules, where this has led to claims for funding through the core government contribution and/or additional employer incentive payments, to which the provider and/or employer is not entitled. Where the failure to comply with the funding rules is the fault of an employer not in receipt of a direct grant, we will recover the funding due as a result from the lead provider who will need to recover it from the employer.

188. Providers must ensure that they have suitable robust systems and procedures in place which guard against fraudulent activity. Lead providers must make employers aware of the specific checks and actions which exist for this purpose. In particular, lead providers must confirm employer responsibilities in, and the impact of, making eligibility declarations and ensure that these are supported in the written documentation with employers.

189. Such systems, procedures and documentation must enable lead providers to recover government funding from employers and/or repay government funding they have received where there has been a breach of the funding rules. This might include, for example, where employers have incorrectly or fraudulently declared (in their signed declaration) that they or their apprentice is eligible for funding, where employers have received government contribution and incentives, where no training or assessment has taken place or where employers have not paid their one-third contribution to the provider.

190. Providers and employers must adhere to the rules for eligibility and regarding a change in either their or their apprentices' circumstances. Please see [Section 6 - What to do when there is a change of circumstances during apprenticeship delivery](#).

Apprenticeships – a quick guide to payments and payment processes



Apprenticeship funding and payments – nine simple steps

Lead provider obtains confirmation of **employer and apprentice eligibility**
Lead provider creates **Individualised Learner Record (ILR)** for each apprentice and enters data including apprentice and employer details, apprenticeship standard, Trailblazer apprenticeship programme type, agreed price for training and assessment and learning start date as set out in the [Guidance for recording Trailblazer apprenticeships in the ILR for 2014 to 2015](#)

Lead provider claims funding for **English and maths and learning support** (if applicable) and pays other providers (if relevant) as set out in subcontracting arrangements

Employer makes **cash contributions** as set out in agreed payment schedules (for training and assessment). Lead provider processes payment internally and generates evidence for audit purposes

Lead provider enters **employer payment onto ILR** (once evidence is in place) and submits with next monthly return in line with Trailblazer Data Returns Timetable

The Agency calculates core government contribution:
 $\text{Employer contribution} \times 2 = \text{Core government contribution}$

If an apprentice leaves their apprenticeships early this may result in overpayment of government funding. Any overpayment must be repaid to the Agency.
Please refer to **Section 6** and the [Guidance for recording Trailblazer apprenticeship in the ILR for 2014 to 2015](#) for further details.

Lead provider receives **core government contribution** in line with Trailblazer apprenticeship payment schedule dates. The Agency continues to make payments (at set payment dates) based on employer cash contributions made and submitted through the ILR, up to two-thirds of the agreed price for training and assessment or the core government contribution for the relevant standard, whichever is the lower

Three months (90 days) after apprentice starts
Lead provider receives small employer incentive payment (if applicable) at fixed rate for relevant core government contribution
Lead provider receives first 16 to 18 incentive payment (if applicable) at 50% of fixed rate for relevant core government contribution

Lead provider makes relevant payments to other providers (if applicable) as set out in subcontracting arrangements

12 months (365 days) after apprentice starts
Lead provider receives final 16 to 18 incentive payment (if applicable) at 50% of fixed rate for relevant core government contribution

Lead provider passes any **incentive payment**, in full, to the employer within 10 working days of receipt

Apprentice finishes training and **completes apprenticeship** including end-point assessment and English and maths requirements. Lead provider records the apprentice's completion on the ILR (once certificate claimed) and submits with next return

Lead provider receives **completion payment** (if applicable) at fixed rate for relevant core government contribution

Lead provider passes any **completion payment**, in full, to the employer within 10 working days of receipt

Funding system arrangements for assessment organisations are currently being developed. Both the employer and the assessment organisation must agree that the apprentice has completed the relevant standard

Section 6 - What to do when there is a change of circumstances during apprenticeship delivery

191. This section sets out the rules for employers and providers when there is a change which either means that the apprenticeship delivery cannot continue as previously or must stop altogether. This includes changes to the employer, their apprentice or the arrangements between the two, or changes to the provider.
192. This section sets out the typical changes in circumstances that may occur during the delivery of an apprenticeship programme. If you need further advice on a change not included in this section, please contact us for further guidance.
193. The employer must inform the lead provider about any change of circumstance that may affect the amount of government funding that can be claimed or the apprentice's ability to successfully complete their apprenticeship as originally planned. They must do this as soon as they are made aware of the change.
194. Changes include but are not limited to a change:
- 194.1. of employer, or employer circumstance (for example the employer goes into administration)
 - 194.2. of apprentice job role or employment status
 - 194.3. in the apprentice's circumstances leading to a break in learning
 - 194.4. in the apprentice's status; the apprentice leaves their apprenticeship early
195. Where there is a change of circumstance as set out in these rules, the lead provider must update the ILR in accordance with the ILR guides and templates section of our [website](#). Lead providers must do this as soon as they are made aware of the change. A new or revised written agreement (including price and eligibility declaration), learning agreement and/or apprenticeship agreement may also be needed. Lead providers must ensure that these are in place if required.
196. If an apprentice has a break in learning this may affect the timing of employer incentive payments. For example, if an apprentice starts a break in learning before the small employer incentive is due, this payment will be delayed until the apprentice resumes their apprenticeship and has reached an overall total of 90 days in learning.

Where training or assessment is no longer being delivered

197. Where a change of circumstance means that training and/or assessment is no longer being delivered, no further government funding contributions or incentive payments must be claimed.
198. The lead provider and the employer must agree the cost of the training and/or assessment delivered to date. The employer must ensure that they have paid the employer contribution for any training or assessment that has already been delivered.
199. When a change of circumstance occurs, this may result in over-payment of

government funding, depending on actual delivery and the payment schedule agreed by the employer and lead provider. Any over-payment of government funding must be repaid to us and the lead provider is responsible for administering the repayment of funding through the ILR. The lead provider must also make sure that they reimburse the employer for any over-payment of employer contributions.

200. The lead provider and employer will agree reimbursement 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.
201. The table on page 38 describes the action which must be taken when a particular change of circumstance occurs, including what must happen with regards to government and employer contributions and incentive payments. Where changes occur that are not included in this document, you should seek specific advice from us about what action you should take.
202. Please refer to the [Guidance for recording Trailblazer apprenticeships in the ILR for 2014 to 2015](#), for details of how to record these changes in circumstance on the ILR which you can find on our [website](#). We will update this guidance as new changes of circumstance arise. If you need any further advice, please contact us.

Alternative completion conditions

203. Currently there are no standards approved for delivery where alternative completion conditions apply.
204. Alternative completion conditions can only be applied to an apprenticeship where we have given our approval for such conditions to apply.
205. When applied, alternative completion conditions will mean that apprentices do not need to be employed to complete the apprenticeship. For example, for occupations or standards where self-employment or working other than for reward is normal within the sector, but where the apprentice will get a high-quality experience.
206. Further advice will follow on alternative completion conditions where an apprentice is made redundant and wishes to continue their apprenticeship when arrangements have been finalised.

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

Change	Example reasons	Action	Employer and government contributions	Incentive payments
1. Apprentice requires a break in their apprenticeship	Illness, maternity or other personal reason	Refer to ILR Guidance for recording Trailblazer apprenticeships in the ILR for 2014 to 2015	Stop until apprentice resumes their apprenticeship	Stop until apprentice resumes their apprenticeship
2. Apprentice is no longer employed by the employer	Resignation, redundancy or other reason	Refer to ILR Guidance for recording Trailblazer apprenticeships in the ILR for 2014 to 2015	Stop and any over-payment of the government contribution is repaid Any over-payment of the employer contribution is repaid to the employer by the lead provider	Stop but employer retains any incentive payments already made
3. Apprentice leaves their apprenticeship early but remains with the same employer	New job role with the same employer, decision to stop the apprenticeship by employer or apprentice or other reason	Refer to ILR Guidance for recording Trailblazer apprenticeships in the ILR for 2014 to 2015	Stop and any over-payment of the government contribution is repaid Lead provider repays any over-payment of the employer contribution to the employer	Stop but employer retains any incentive payments already made
4. Apprentice starts a new role with the same employer and requires a different apprenticeship standard	Internal promotion, restructure or other reason	Employer confirms that apprentice is in new job role New price agreed for training and assessment for the new standard, taking into account relevant learning from the first	Stop and any over-payment of the government contribution is repaid Any over-payment of the employer contribution is repaid to the employer by the lead provider	Employer can only receive each incentive payment once for each apprentice If incentive payments have already

Change	Example reasons	Action	Employer and government contributions	Incentive payments
		<p>apprenticeship (this may be with the existing lead provider or a new lead provider)</p> <p>There must be at least 12 months of learning required to complete the new standard (or the minimum duration set out in the relevant standard if this is greater)</p> <p>Please also see Funding for apprenticeships supports progression in skills and learning for further information</p>	<p>Payments made in line with new payment schedule</p>	<p>been made, the employer will only be able to receive any remaining incentive payments, for example, 50% of the 16 to 18 incentive payment at 12 months</p>
<p>5. Apprentice starts a new job with a different employer and continues their apprenticeship with the same lead provider</p>	<p>Apprentice chooses to apply for new job, lead provider supports apprentice to find a new job following redundancy or other reason</p>	<p>New price agreed for the remainder of the apprenticeship training and assessment, taking into account relevant learning from first employer</p> <p>There may be fewer than 12 months of learning required to complete the standard but the total length of learning must meet or exceed the minimum of 12 months (or the minimum duration set</p>	<p>Stop (for the first employer) and any over-payment of the government contribution is repaid</p> <p>Any over-payment of the employer contribution is repaid to the first employer by the lead provider</p> <p>Payments made by new employer in line with new payment schedule and government</p>	<p>Stop for the initial employer but they retain any incentive payments already made</p> <p>New employer receives any incentive payments that have not already been paid, subject to eligibility</p>

Change	Example reasons	Action	Employer and government contributions	Incentive payments
		out in the relevant standard if this is greater)	contributions start again	
6. Apprentice starts a new job with a different employer and continues their apprenticeship with a different lead provider	Apprentice chooses to apply for a new job, new lead provider supports apprentice to find a new job following redundancy or other reason	<p>New price agreed for the remainder of the apprenticeship training and assessment, taking into account relevant learning from first employer</p> <p>There may be fewer than 12 months of learning required to complete the standard but the total length of learning must meet or exceed the minimum of 12 months (or the minimum duration set out in the relevant standard if this is greater)</p>	<p>Stop (for the first employer) and any over-payment of the government contribution is repaid</p> <p>Any over-payment of the employer contribution is repaid to the employer by the lead provider</p> <p>Payments made by new employer in line with the new payment schedule and government contributions start again</p>	<p>Stop for the initial employer but they retain any incentive payments already made</p> <p>New employer receives any incentive payments that have not already been paid, subject to eligibility</p>
7. Apprentice starts a new job with a different employer and requires a different apprenticeship standard	Apprentice chooses to apply for a new job or other reason	<p>New price agreed for training and assessment for the new standard, taking into account relevant learning from the first apprenticeship (this may be with the existing lead provider or a new lead provider)</p> <p>There must be at least 12 months of learning required to</p>	<p>Stop and any over-payment of the government contribution is repaid</p> <p>Any over payment of the employer contribution is repaid to the employer by the lead provider</p> <p>Payments made by the new employer in line with the new payment schedule and government</p>	<p>Stop for the initial employer but they retain any incentive payments already made</p> <p>New employer receives any incentive payments that have not already been paid, subject to eligibility</p>

Change	Example reasons	Action	Employer and government contributions	Incentive payments
		<p>complete the new standard (or the minimum duration set out in the relevant standard if this is greater)</p> <p>Also see Funding for apprenticeships supports progression in skills and learning for further information</p>	<p>contributions start again</p>	
<p>8. Employer selects a different lead provider</p>	<p>Poor customer service from lead provider, lead provider ceases trading, lead provider no longer wishes to work with employer or other reason</p>	<p>New price agreed for the remainder of the apprenticeship training and assessment. The new lead provider may agree to continue with the existing price and payment schedule</p> <p>There may be fewer than 12 months of learning needed to complete the standard but the total length of learning must meet or exceed the minimum of 12 months (or the minimum duration set out in the relevant standard if this is greater)</p>	<p>Stop and any over-payment of the government contribution is repaid</p> <p>Any over-payment of the employer contribution is repaid to the employer by the original lead provider</p> <p>Payments made by employer in line with payment schedule agreed with the new lead provider, and government contributions start again</p>	<p>Employer continues to receive any incentive payments subject to eligibility</p>

Change	Example reasons	Action	Employer and government contributions	Incentive payments
9. Lead provider ceases trading	Liquidation or other reason	<p>Lead provider informs Agency and employer that they are going to cease trading</p> <p>Lead provider must, where possible, support the apprentice and employer to identify a new lead provider</p>	<p>Stop and any over-payment of the government contribution is repaid</p> <p>Contribution payments may resume if a new lead provider is identified</p> <p>Any over-payment of the employer contribution is repaid to the employer by the lead provider</p>	<p>Stop but employer retains any incentive payments already made</p> <p>Incentive payments may resume if a new lead provider is identified</p>
10. Employer ceases trading	Liquidation or other reason	Employer informs Agency and lead provider that they are going to cease trading	<p>Stop and any over-payment of the government contribution is repaid</p> <p>Any over-payment of the employer contribution is repaid to the employer by the lead provider</p>	Stop but employer retains any incentive payments already made

Section 7 - Contracts and written agreements

207. This section sets out the rules for employers and providers on documentation and agreements relating to an apprenticeship. This section also explains what must be included in the written agreement or contract between the lead provider and the employer, and actions regarding resolution of disputes between the employer and their provider(s). The requirements for lead providers and employers regarding subcontracting for delivery or assessment of apprenticeships are also set out in this section.

The written agreement between employers and lead providers

208. The employer and lead provider must make sure that all elements of the agreement regarding the supply of training and assessment are set out in writing and that the employer and lead provider keep a current signed and dated version on record at all times. This document must include:

- 208.1. confirmation and signatory from the employer for eligibility of the apprentice for apprenticeship funding and 16 to 18 incentive payments, if applicable
- 208.2. confirmation and signatory from the employer of their eligibility for the small employer incentive payment, if applicable
- 208.3. the services agreed for delivery of the apprenticeship
- 208.4. the list of providers and assessment organisations involved in the delivery of the training and assessment
- 208.5. the payment schedule for the employer cash contribution, setting out the dates for claiming any eligible incentive payments
- 208.6. details of any eligible, evidenced employer costs for direct grant employers
- 208.7. confirmation that learning support is available to support apprentices with additional learning needs. Where learning support has been specifically identified and agreed, the written agreement must clearly set out what this is being used for
- 208.8. the process for resolving any issues and disputes regarding the apprenticeship, including quality and payment
- 208.9. where a lead provider plans to deliver training or assessment through subcontracting, the arrangements for this, including services, costs and payment schedules (for all lead and subcontracted arrangements to be paid for through the co-payment) should be explicit in the agreement
- 208.10. the right of a lead provider to recover sums from the employer in the event that the employer is in breach of the funding rules as set out in this document

Disputes and issue resolution between employer and provider

209. The lead provider is responsible for resolving issues and disputes between the employer and other providers. Training and assessment providers must provide employers and apprentices with their written complaints and dispute resolution procedure, policy and process.

210. Agreements entered into by the employer and provider are legal agreements and dispute resolution should be in accordance with the terms of the agreement and ultimately would be enforceable through the courts.
211. Complaints about providers which do not involve a contractual dispute can be made using our procedure for complaints about providers on our [website](#).

Rules for providers and employers on contracting and subcontracting

212. The employer may choose one or more providers to deliver their chosen apprenticeship standard. Where they select more than one provider, the employer must identify a 'lead provider' who will be responsible for subcontracting provision to all other providers involved in the delivery of the standard. No second-level subcontracting is permitted.
213. A lead provider must hold a current funding agreement with us and appear on our Register of Training Organisations.
214. The lead provider and employer must agree any subcontracting arrangements, in advance of the start of the apprenticeship. These arrangements must be detailed in a written agreement or contract.
215. The lead provider must not use any subcontractors to deliver the employer's chosen apprenticeship standard that have not been agreed with the employer in advance of the start of the apprenticeship.
216. Lead providers must not subcontract any apprenticeship delivery to the employer.
217. If they have not previously subcontracted provision we fund, lead providers must get our approval in writing before awarding a contract to a subcontractor.
218. A lead provider is unable to subcontract the delivery of an apprenticeship standard where the following circumstances apply.
- 218.1. Where Ofsted has rated the lead provider's leadership and management as inadequate.
 - 218.2. If the lead provider does not meet our minimum standards.
 - 218.3. If the outcome of the lead provider's annual financial health assessment we carry out is inadequate.
219. Lead providers must tell us and the employer, in writing, about any circumstances (for example where the lead provider and a proposed subcontractor have common directors) which might give rise to an actual or perceived conflict of interest. A lead provider should not proceed to award the contract without the Chief Executive of Skills Funding's and employer's permission in writing in these circumstances.
220. A lead provider is unable to use any subcontractors with a contract value of £100,000 or above for each funding year unless they are listed on the Register of Training Organisations. This also applies if the subcontract from the lead provider would take the total value of contracts that the subcontractor holds with Agency

lead providers to £100,000 or more. The lead provider must make sure that such subcontractors are listed on the Register of Training Organisations before entering into any arrangements for the funding year.

221. A lead provider must only award contracts for delivering funded provision to legal entities. If the legal entity is a registered company, it must be recorded as 'Active' on the Companies House database. A lead provider must not award a contract to a legal entity if:
 - 221.1. it has an above-average risk warning from a credit agency
 - 221.2. it has passed a resolution (or the court has made an order) to wind up or liquidate the company, or administrators have been appointed or
 - 221.3. its statutory accounts are overdue
222. The lead provider must carry out rigorous due diligence checks before awarding a contract to a subcontractor. If, as a result of the due diligence checks, the lead provider is unwilling to enter into the contract, they must discuss this with the employer and agree alternative arrangements.
223. The lead provider must have a legally binding contract with each subcontractor.
224. The lead provider is responsible for ensuring all subcontractors comply with these funding rules.
225. The lead provider remains ultimately responsible for all provision they subcontract.
226. The lead provider must make sure that apprentices supported through subcontracting arrangements know about their and their subcontractor's roles and responsibilities in providing the learning.
227. The lead provider must carry out a regular and substantial programme of quality-assurance checks on the education and training provided by subcontractors, including visits at short notice and face-to-face interviews with staff and apprentices. The programme must cover whether the apprentices exist and are eligible, and involve direct observation of initial guidance, assessment and delivery of learning programmes. The lead provider's findings must be consistent with their expectations and the subcontractor's records.
228. The lead provider must make sure that all subcontracted apprenticeship provision meets the relevant apprenticeship standard.
229. The lead provider must carry out an investigation, at its own cost, if there is any evidence of a subcontractor's irregular financial or delivery activity. The lead provider must report the outcome of the investigation, in writing, to the employer and to our Central Delivery Service. The lead provider must do this within 10 days of the investigation ending.
230. The lead provider must declare subcontracted delivery of apprenticeship standards on the subcontractor declaration form.

Terms that must be included in contracts with subcontractors

231. We need certain levels of assurance that education and training provided by subcontractors will keep to our funding rules.
232. The lead provider must make sure that the terms of their subcontracts allow them to:
 - 232.1. monitor the subcontractor's activity
 - 232.2. have control over their subcontractors and
 - 232.3. monitor the quality of education and training provided by subcontractors
233. We do not provide a template for subcontracts, but lead providers must make sure their subcontracts include the contents of this section. Lead providers should take their own legal advice on the wider terms and conditions of contracts they enter into with subcontractors.
234. Subcontractors must keep to our funding rules.
235. Subcontractors must provide data so the lead provider's ILR data return to us accurately reflects their subcontractors' delivery information.
236. Subcontractors must give us, and any other person nominated by us, access to their premises and all documents relating to providing education and training funded by us.
237. Subcontractors must give the lead provider sufficient evidence to allow the lead provider to:
 - 237.1. assess their performance against Ofsted's Common Inspection Framework
 - 237.2. incorporate the evidence they provide into the lead provider's self-assessment report and
 - 237.3. guide the judgements and grades within the lead provider's self-assessment report
238. Subcontractors must always have suitably qualified staff available to provide the education and training we fund.
239. Subcontractors must co-operate with the lead provider to make sure that there is continuity of learning if the subcontract ends for any reason.
240. Subcontractors must tell the lead provider if evidence of any irregular financial or delivery activity arises. Irregular activity could include, but is not limited to:
 - 240.1. non-delivery of training when funds have been paid
 - 240.2. sanctions imposed on the subcontractor by an awarding organisation or an Ofsted grade of 'inadequate'
 - 240.3. complaints or allegations by apprentices, people working for the subcontractor or other relevant parties and
 - 240.4. allegations of fraud

241. Subcontractors must not use our funding to make bids for or claims from any European funding on their own behalf or on our behalf.
242. Subcontractors must not use payments made in respect of Trailblazer apprenticeships as match funding for ESF co-financing projects.

Distributing income between subcontractors

243. By law the Chief Executive must make the best use of resources when securing the provision of education and training. We will monitor the fees and a charge associated with subcontracting to make sure enough funding is being allocated for providing high-quality education and training.
244. Lead providers must publish their supply chain fees and charges policy and their actual, end-of-year supply chain fees and charges on their website.
245. The fees and charges policy and actual, end-of-year figures should only include costs relating to delivery against apprenticeship standards that have been fully subcontracted to a single provider.
246. Lead providers must publish the actual level of funding paid and retained for each of their subcontractors in 2014 to 2015. This data must be published within 30 days of the 2014 to 2015 ILR closing.
247. Direct grant employers should publish their data online or, where this is not appropriate, send it to their employer development manager within 30 days of the 2014 to 2015 ILR closing. This information will then be held on record and be available for requests under the Freedom of Information Act.
248. Lead providers must, as a minimum, include the following in their published supply-chain funding payments.
 - 248.1. Name of the subcontractor.
 - 248.2. UKPRN number of the subcontractor.
 - 248.3. Contract start and end date.
 - 248.4. Type of provision (for example, Trailblazer apprenticeships).
 - 248.5. Funding we have paid to them for provision delivered by the subcontractor in that funding year.
 - 248.6. Funding they have paid to their subcontractor for provision delivered in that funding year.

Section 8 - Additional rules for direct grant employers

249. This section provides details of additional rules which only apply to direct grant employers. Direct grant employers are those employers who hold a current funding agreement with us and are listed on our Register of Training Organisations.

Direct grant employers directly delivering all or part of their training

250. Direct grant employers can directly deliver all or part of their apprenticeship standard training programme.

251. Direct grant employers must calculate and report in the ILR the full cost of training and assessment including the end-point assessment for each apprentice, as this will determine the value of the core government contribution.

252. We will monitor training and assessment costs to ensure that direct grant employers achieve best value, such as economies of scale, which can be taken into consideration when calculating delivery costs.

253. Direct grant employers may demonstrate that they make employer contributions through the internal transfer of training costs to another part of the organisation. This can be evidenced by setting up a separate distinct cost code to demonstrate that an internal transfer has taken place, or other suitable evidence including a schedule of payments, internal requisition of training, or internal payment transfers and invoicing.

254. Direct grant employers can use the evidenced costs they incur for the direct delivery of their apprenticeship standard training as part of their employer contribution. Such costs are defined as the salary plus 'on costs' of individuals employed by the direct grant employer for the time they are **directly** involved in the administration, training or assessment of the apprenticeship programme. Costs may also include the evidenced travel and subsistence costs of staff directly involved in delivery of the apprenticeship programme where these relate explicitly to the delivery of apprenticeship training or assessment.

255. 'On costs' can include employment costs such as employer pension contributions, national insurance, and employee benefits.

256. An individual's time for administration, training or assessment not connected to an apprenticeship standard cannot be counted as employer contributions. Direct grant employers can calculate the average cost of salaries and 'on costs' over a period of time, for example, one year and set this against the costs of directly delivering the apprenticeship standard over the same time.

257. Evidence must be retained which clearly demonstrates the costs to the direct grant employer for their administration, training and assessment of the apprenticeship standard. Evidence requirements which can be used include payroll, payslips, expense claims, hourly pay rates and training plans which include the hours of training delivered.

258. Direct grant employers can claim the core government contribution for their evidenced employer contributions for the direct delivery of their apprenticeship standard. The same principles apply as for other employers; government will pay £2 for every £1 the employer pays up to the core government contribution cap allocated to the standard.

259. Direct grant employers can claim additional incentive payments for which they are eligible.

Opting out of employer contributions for direct delivery

260. If a direct grant employer directly delivers 100% of their training and chooses not to make any employer contributions (including those costs identified in paragraphs 253 to 256), they will not be eligible to claim the government contribution for the training delivered.

261. Direct grant employers that choose to opt out of making employer contributions (including those costs outlined in paragraphs 253 to 256) towards training will still be required to make a cash contribution for the independent end-point assessment of their apprentices. Core government contribution and additional employer incentives can be claimed against employer contributions made towards the end-point assessment.

Direct grant employers using external providers

262. Direct grant employers may use the services of external providers to deliver all or part of an apprenticeship standard.

263. Direct grant employers must:

263.1. agree a price with the contracted external provider(s) to deliver the training and assessment

263.2. pay the one-third employer cash contribution towards the training of apprentices and retain evidence of any payments made to the external provider

264. Direct grant employers can claim the core government contribution for evidenced employer contributions which they have made to the external provider and for additional incentive payments for which they are eligible.

Direct grant employers delivering apprenticeships to external employers

265. Where direct grant employers deliver apprenticeship standards to other employers (including those employers within their supply chain and franchises if they are not their own legal employees), they must follow the rules for lead providers set out in this document.

Section 9 - Additional rules for recognised apprenticeship training agencies (ATAs)

266. For the purpose of these rules, employers working with an ATA are defined as 'host employers' for the period where the apprentice is directly working within their organisation.
267. If an organisation operates an ATA, for example as their main business and is employing apprentices who are made available to host employers for a fee, they must clearly identify themselves as such and operate within our ATA recognition policy which is available on our [website](#).
268. If a provider is receiving funding from us and operates an ATA, they must set this up as a distinct business so that apprentices are contracted employees of the ATA and not the provider.
269. Lead providers can only claim government funding for apprentices employed by approved ATAs listed on our register.
270. Funding received by lead providers is intended for the delivery of training and assessment and must not be used to pay apprentices' wages.
271. As the legal employer of the apprentice the ATA is responsible for making the employer cash contribution payments for the delivery of training and assessment.
272. ATAs will need to agree a price and payment schedule for training and assessment with a lead provider. This information must be recorded in a written agreement. Please see [Section 7 - Contracts and written agreements](#) for more information.
273. Evidence of transactions between the ATA and lead provider must be retained; such as an agreement between the ATA and lead provider on price and schedule of payments, invoices and receipts of payments made between the ATA and lead provider. Providers that operate their own ATA must maintain transparency to ensure that evidence of payments and the receipt of payments are retained.
274. ATAs can charge a fee to the host employer for services they provide.
275. All apprentices employed by ATAs must meet minimum duration rules of 12 months or that required by the standard. This could be achieved with one or more host employers.
276. If a host employer is unable to retain the apprentice, it is the ATA's responsibility to take all reasonable efforts to find an alternative, suitable host employer(s) so that the apprentice can complete their apprenticeship.

Additional incentive payments

277. It is the responsibility of the ATA as the legal employer to confirm the eligibility of individuals and of the host employer.

278. The lead provider must provide the ATA with an eligibility declaration form to sign which confirms the eligibility of the individual and the host employer to receive incentive payments. The declaration must be retained by the lead provider and the ATA.
279. The ATA must submit an employer incentive claim form to the lead provider to claim the incentive payments at the set points for their eligible host employers.
280. The lead provider can only pass on incentive payments once they have received an employer incentive claim form from the ATA.
281. ATAs must pass incentive payments to eligible host employers. ATAs can exercise their discretion on the value of incentive payments made between host employers where there are multiple employers involved in the apprenticeship programme. This will largely depend on the number of host employers to whom the ATA has hired the apprentice during their apprenticeship.
282. Incentive payments made by the ATA to the host employer must be clearly identifiable to the host employer as either the small employer, young people's or apprenticeship completion incentive.
283. Both the lead provider and the ATA must retain employer incentive claim forms and evidence of receipts of payment for each incentive payment.

Section 10 - Evidence requirements

284. This section sets out the details of the evidence that we will require from both employers and lead providers.

Principles of evidence

285. The purpose of the evidence is to assure us that funding has been claimed in accordance with the terms of our funding agreement and the funding rules. We will examine evidence to make sure we have that assurance.

286. Evidence must be created as part of a specific business process or as a usual part of your day-to-day working. We are keen that as much naturally-occurring evidence is used as possible as this reduces both unnecessary paperwork and cost.

287. Lead providers should be ready and able to demonstrate the link between the funding claimed and the receipt of funds from the employer for individual apprentices.

The main principles of providing evidence

288. As part of the written agreement between the employer and lead provider (please see [Section 7 - Contracts and written agreements](#)), employers must sign an eligibility declaration form, confirming both the eligibility of the apprentice and their eligibility as an employer for incentive payments.

289. It is the lead provider's responsibility to make sure the declaration form is signed by the employer.

290. Lead providers must retain a signed eligibility declaration for each apprentice.

291. Lead providers must hold evidence:

291.1. that the apprentice exists

291.2. that the apprentice is eligible for funding

291.3. that the employer is eligible for any incentive payments

291.4. of a written agreement with the employer

291.5. that the education and training being delivered is eligible for funding

291.6. that the training/assessment activity is taking place or has taken place

291.7. that the achievement of learning aims is certified (that is, a certificate has been issued by an awarding organisation or assessment body for the apprenticeship standard) and

291.8. to support other funding claimed, such as learning support and English and maths

292. Lead providers must retain employer incentive claim forms submitted by employers.

293. We must be able to inspect evidence within the following timescales.

- 293.1. Evidence that the apprentice exists and is eligible by the date that the first co-payment or incentive payment (whichever is the sooner) is made. For English and maths the evidence must be available by the end of the six-week qualifying period.
 - 293.2. Evidence of completion and achievement – further advice on the evidence requirements for the employer incentive payment for completion of the apprenticeship will follow when arrangements have been finalised.
294. The evidence of activity must be based on the lead provider's own policy. If an apprentice withdraws from training without achieving their standard, any claim for funding must only be for training and assessment that has been delivered.

Learning agreement

295. Lead providers are responsible for creating and updating the learning agreement.
296. Lead providers must keep learning agreements safe.
297. The learning agreement is the main evidence to prove that the apprentice funding claimed for exists and is eligible for funding, and of the training and assessment to be provided. It allows lead providers to show that the apprentice has confirmed the information supplied is correct and that the information lead providers have reported to us in the ILR is correct.
298. A learning agreement is not necessarily a single document but can be a collection of documents and information brought together to form a single point of reference relating to the training and assessment that is taking place.
- 298.1. The written agreement between the employer and the lead provider can be kept as part of the learning agreement in order to avoid duplication.
 - 298.2. If training is delivered by an employer, this collection of documents may also be employment records held by the employer, such as application forms, learning and development plans and payroll systems.
 - 298.3. The majority of information will come from normal processes and be produced as part of the organisation's business. It may be in paper, electronic or a mixture of formats. For employers and/or lead providers it could include enrolment forms, data-capture forms, induction checklists, initial assessments, training plans, confirmation letters to apprentices, self-declarations, attendance records, copies of certificates and result forms.
299. The employer, lead provider and apprentice must confirm the information in the learning agreement before any government contribution is paid. We will remove the funding if this confirmation is not provided.
300. Lead providers must keep a learning agreement to show they have the evidence needed to support the funding claimed. The learning agreement must be proportionate to the length of the apprenticeship and the characteristics of the apprentice.
301. If lead providers hold information for more than one apprentice centrally, such as result lists or employment records, they only need to refer to that central store. For

example, if you provide evidence of confirmation:

- 301.1. of achievement using an awarding organisation's online database or the personal learning record or
 - 301.2. that the apprentice's address and date of birth are held in an employer's payroll system
302. Where evidence is already held in a central store, the lead provider should refer to the location of the evidence in the learning agreement rather than include a copy.
303. The learning agreement relating to funding must at least confirm the following.
- 303.1. The apprentice's job role and the standard associated with it.
 - 303.2. Relevant experience and achievements both in and outside their current working role.
 - 303.3. The training and assessment they have to carry out while on their apprenticeship.
 - 303.4. The name of the employer and the agreed contracted hours of employment; the total planned length of the apprenticeship.
 - 303.5. Confirmation that an apprenticeship agreement is in place, plus a copy of the apprenticeship agreement, or confirmation that the employer has been told about their legal duty in terms of the apprenticeship agreement if a copy is not available.
 - 303.6. All information reported to us in the ILR, and if it applies, the supporting evidence of the data being reported.
 - 303.7. All initial, basic skills and diagnostic assessments.
 - 303.8. Any record or information on prior learning that affects the training and assessment or the funding of any of the training or assessment being taken by the apprentice.
 - 303.9. An outline of how the training and assessment will be achieved.
 - 303.10. Any learning support identified through assessment provided to the apprentice. This includes evidence that the learning support has been delivered during the time that funding was claimed.
 - 303.11. Any requirement for additional support for English and maths.
 - 303.12. Records of attendance to confirm that the apprentice is still taking part in training and assessment.
 - 303.13. A record and evidence of achievement of qualifications or completion of an apprenticeship standard. This must be available within three months of this being reported in the ILR.
304. If a subcontractor delivers any provision for the apprentice, they must clearly give the lead provider name as well as theirs in the learning agreement, and make sure that this is known to the apprentice. This must match the information reported to us in the ILR.

Confirmation and signatures

305. We recognise that the lead provider will decide which process they will use to record the apprentice's and employer's confirmation of information about the apprentice's training. We recognise that it is unlikely that a standard approach and process will meet the needs of every employer.

306. Lead providers and employers can hold evidence in an electronic format. This includes holding information on electronic platforms and in scanned format, which includes, but is not restricted to, digital signatures. When a lead provider collects an apprentice's signature, we accept that it may be handwritten, in electronic format or both.
307. Lead providers and employers must make sure that digital signatures and the wider systems of control give their management team enough assurance that apprentices are eligible for funding and that they actually exist. Lead providers must also make sure that they have systems in place so they can monitor apprentice activity, including that they are continuing to learn and achieve.
308. It is the lead provider's responsibility to make sure that they keep an effective and reliable form of evidence to support funding claims, including evidence that apprentices actually exist and are eligible and the activity they carry out. Lead providers are responsible for making the evidence they hold easily available to us when we need it.

Training and assessment activity

309. The lead provider must provide evidence of training and assessment reported in the ILR and recorded in the apprentice's learning agreement. The lead provider can do this through naturally-occurring evidence, such as registers, attendance records, reports, records of contact and reviews. If the lead provider does not have any evidence of training and assessment taking place and they have claimed funding, we have the right to recover any funding paid.

Retention and completion

310. If an apprentice is still in training, or has left and not completed their standard, the lead provider must evidence that training and assessment activity is taking place or has taken place. The evidence must be in the learning agreement. The exact nature of this evidence would be up to the lead provider (and may be based on the way in which learning takes place).
311. If the apprentice completes their apprenticeship, we will not need the lead provider to keep evidence of the activity that has taken place.
312. Lead providers do not need to keep copies of learning aim certificates, issued by awarding organisations, as evidence of achievement. For evidence of achievement we will use the data that awarding organisations give us as part of the personal learning record (PLR), if this is available. We will compare the information held on the PLR against the achievement data lead providers report to us in the ILR to make sure only valid achievement is claimed for. Lead providers must still keep copies of apprenticeship standard completion as this information is not yet directly put in the PLR. In the future we intend to remove the requirement to keep apprenticeship standard certificates and will tell lead providers about this change when it happens.
313. Lead providers must still apply for, and send apprentices, the certificates that

awarding bodies issue for achieving a learning aim. In the learning agreement lead providers must record that this has happened. For example, this could be records of postage, receipt books, records of awards ceremonies and so on.

Individualised learner record (ILR)

314. The ILR data reported to us is not evidence in its own right but is the basis on which our payments are made to lead providers. The information contained in the learning agreement must support the ILR data lead providers have reported. The ways in which lead providers collect data may naturally provide evidence. For example, lead providers may include forms used to collect ILR data, such as enrolment forms, in the learning agreement.

Self-declaration by apprentices

315. Any self-declaration of information by the apprentice must confirm both the apprentice's personal details and the information they are declaring. We accept that this can be in an electronic format.

Additional evidence

316. As well as the learning agreement and written agreement we will require evidence of the following.

Paragraph	Evidence requirement
20	The date that an apprentice has started their apprenticeship is the date on which the activity related to the standard has begun. Induction, prior assessment, diagnostic testing or similar activity is not part of the standard and is not treated as the start of training.
21	If the working hours of the apprentice vary from week to week, lead providers must make sure they meet the minimum length of the standard. This includes both increases and reductions in hours where lead providers will extend or reduce the minimum length as necessary. Lead providers must not change the 'Learning planned end date' field of the ILR but this alteration will be reflected in the 'Learning actual end date' field of the ILR.
36	In order to claim the employer incentive payments, there must be evidence that the apprentice was still in learning on or after the date each payment is due.
39 & 40	Lead providers must keep evidence that employers have claimed eligible employer incentives and that they have passed the full value of incentive payments to the employer within 10 working days of receipt.

Paragraph	Evidence requirement
75.3	The lead provider must fill in the 'Delivery location postcode' field in the ILR and this must be in England. Where we agree that a standard or English or maths may be delivered elsewhere, providers must first get authorisation from our Central Delivery Service. They must keep this authorisation in the learning agreement for the apprentice. In most cases this will be an email from our Central Delivery Service.
89	For apprenticeship standards, the evidence of completion we need is an apprenticeship completion certificate. Further advice on the evidence requirements for the employer incentive payment for completion of the apprenticeship will follow when arrangements have been finalised.
143 & 144	Lead providers must keep evidence of employer cash contribution payments made and received for both training and assessment.
154	In order to claim funding for English and maths, there must be evidence that the apprentice was still in learning on or after the six-week funding qualifying period.
164	Evidence that the learning support claimed through the ILR is backed up by an assessment, that there is a planned programme of support included in the learning agreement, and there is evidence of the planned programme for providing additional support included in the learning agreement.
170	When a lead provider claims learning support over the fixed monthly rate they must keep evidence of total spending on the apprentice, and demonstrate why the cost of the support is greater than the total earned from the fixed monthly rate. Lead providers must keep evidence of why they have claimed the amount they have, which would be linked to the apprentice's assessment and planned learning support claim. Lead providers must only claim amounts for their costs of delivering the support to the apprentice and not include any indirect costs or overheads.
175	Evidence of why the apprentice does not have an education, health and care plan. This should be a letter or email from the apprentice's local authority stating that the apprentice does not have an education, health and care plan as they do not meet the criteria.
176.1	A copy of the agreement from our Central Delivery Service to fund exceptional learning support. This could be an email from our Central Delivery Service.
187 & 199	Evidence of any repayments made by an employer or provider. Suitable evidence could include financial system reports or other payment processing information.
194.3	For a break in learning, the apprentice's learning agreement must show previous training. For apprentices that transfer, documents must show the time they have

Paragraph	Evidence requirement
	already spent on the apprenticeship and that the total length will meet the minimum duration requirements.
195	Evidence of a new or revised written agreement (including price and eligibility declaration) required as a result of a change of circumstance. A new learning agreement and apprenticeship agreement may also be required.
197	The last date of actual learning where the apprentice withdraws without achieving the apprenticeship standard is the date on which the apprentice was taking part in any training or assessment that is part of the standard. Lead providers can only claim funding if the apprentice has started that standard. In other words, lead providers cannot claim funding if the apprentice has not yet started any training that is part of that standard.
217	A request to subcontract, including an external audit report from an independent and qualified external auditor, and a copy of approval from the Chief Executive of Skills Funding.
219	Written details of anything that could be considered to give rise to a conflict of interests, and a copy of the response from the Chief Executive of Skills Funding.
220	Evidence that the subcontractor is on the Register of Training Organisations and the UK Register of Learning Providers (UKRLP), and their UK Provider Registration Number (UKPRN).
222	Copies of the process followed and checks carried out by the lead provider when appointing subcontractors.
223	Copies of subcontracts the lead provider holds with each subcontractor.
229	A copy of the investigation report, including follow-up actions and outcomes.
230	An up-to-date and fully filled-in subcontractor declaration form.
246	Evidence of funding paid and retained in relation to supply-chain fees and charges as set out in these funding rules.
257	Evidence of costs for direct grant employer direct delivery where these are counted as part of the employer contribution.

Annex 1 - apprentice eligibility for funding

Introduction

1. Lead providers and employers must make sure that any learner they claim our funding for is eligible. Just having the right to live or work in England does not make a person eligible for state funding for education and training. For example, an individual may have a right or permission to work in England, such as an individual on a Tier 4 student visa, but not to state funding for education or training.
2. To qualify for our funding, the individual must be eligible on the first day of starting the learning aim. It is not whether they are eligible when they enrol on the learning aim. If they have already started a learning aim when they were not eligible for our funding, any change in their circumstances making them eligible, will not result in us providing funding for this learning aim. However, we will fund learning aims in the future for this individual.
3. Eligibility to funding does not give the individual the right to funding, just the ability to be funded. This would depend on their circumstances, such as previous achievement, economic status, age and so on.
4. Most individuals who want to take part in learning will be eligible for funding if:
 - 4.1. they are a citizen of the United Kingdom and Islands, have Right of Abode (the right to live permanently in the United Kingdom without any immigration restrictions), or are a citizen of a country that is within the European Economic Area (EEA)
 - 4.2. they have been ordinarily resident in the United Kingdom and Islands or the European Union (EU) or the European Economic Area (EEA) continuously for at least the previous three years on the first day of learning and
 - 4.3. the learning is taking place in England
5. Other individuals could be eligible who do not meet the above list.
6. The following individuals are not eligible for funding.
 - 6.1. Those who have been granted a Tier 4 Visa by the UK government.
 - 6.2. Those who are not EEA citizens and are in the United Kingdom on holiday, whether with or without a visa.
 - 6.3. Those who are not EEA citizens and are considered to be 'overstayers' by the UK government.
 - 6.4. Those who are not EEA citizens, are a family member of a person granted a Tier 4 Visa, have been given immigration permission to stay in the UK and have not been ordinarily resident in the UK for the previous three years on the first day of learning.

Family members

7. We define a family member of a 'principal' (see the table below) as their husband, wife or civil partner, a child, a grandchild or a dependant parent or grandparent. A 'principal' is the individual who is the main or highest in the rank or importance when looking at eligibility of family members. A family member also includes those individuals recognised by the Home Office and its agencies as a family member.

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

- 8.1. the family member is now ordinarily resident in England, but has not been ordinarily resident in the EEA for at least the previous three years before the start of learning but
- 8.2. the 'principal' family member has been resident for the required three years

		'Principal' ordinarily resident in EEA for three years			
		UK citizen	EU citizen	Non-EU EEA citizen	Non-EEA citizen
Family member not ordinarily resident in EEA for three years	UK citizen	Eligible	Eligible	Eligible	Not eligible
	EU citizen	Eligible	Eligible	Eligible	Not eligible
	EEA citizen	Eligible	Eligible	Not eligible	Not eligible
	Non-EEA citizen	Eligible	Eligible	Not eligible	Not eligible

9. Family members of UK, EU and EEA citizens who have been ordinarily resident in the EEA for at least the previous three years before starting learning are eligible for funding.

Non-EEA citizens

10. A non-EEA citizen is eligible for funding if they have permission granted by the UK government to live in the UK, which is not for educational purposes, and has been ordinarily resident in the UK for at least the previous three years before the start of learning.

Government decisions on an individual's immigration status

11. Anyone with any of the statuses listed below, and their husbands, wives, civil partners and children, are eligible for funding.

- 11.1. Refugee Status
- 11.2. Discretionary Leave to Enter
- 11.3. Discretionary Leave to Remain
- 11.4. Exceptional Leave to Enter
- 11.5. Exceptional Leave to Remain
- 11.6. Indefinite Leave to Enter
- 11.7. Indefinite Leave to Remain
- 11.8. Humanitarian protection

Refugees

12. Refugees recognised by the UK government, along with their husband, wife, civil partner and children, are eligible for funding.

Asylum seekers

13. Asylum seekers are eligible for funding if:

- 13.1. they have legally been in the UK while their claim is being considered by the Home Office for longer than six months and no decision has been made or
- 13.2. they are in the care of the local authority and are receiving local authority support under section 23C or section 23CA of the Children Act 1989 or section 21 of the National Assistance Act 1948

14. An individual refused asylum will also be eligible if:

- 14.1. they appeal 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
- 14.2. they are granted support under section 4 of the Immigration and Asylum Act 1999 or
- 14.3. they are in the care of the local authority and are receiving local authority support under section 23C or section 23CA of the Children Act 1989, or section 21 of the National Assistance Act 1948

16 to 18 Apprenticeships

15. As well as the main eligibility criteria, the following groups of 16- to 18-year-olds are eligible for funding for an apprenticeship, if they:

- 15.1. are accompanying or joining parents who have the Right of Abode, Leave to Enter or Leave to Remain in the UK (or accompanying or joining parents who are EEA nationals), or are children of diplomats

- 15.2. are children of teachers coming to the UK on a teacher-exchange scheme
- 15.3. are entering the UK (where not accompanied by their parents) and are British (or EEA) citizens
- 15.4. have a passport that has been endorsed to show they have the Right of Abode in this country
- 15.5. are an asylum seeker or
- 15.6. are placed in the care of a local authority

Children of Turkish migrant workers

16. A child of a lawfully employed Turkish worker is eligible if:

- 16.1. the Turkish worker has been ordinarily resident in the UK
- 16.2. the Turkish worker is, or has been, lawfully employed in the UK and
- 16.3. the child has been ordinarily resident in the EEA or Turkey for the full three-year period before the start of their programme

Continuing learners

17. Learners who are following learning aims or a programme lasting more than one funding year, and are eligible for our funding at the start of their programme, will be eligible for funding for the whole length of the learning aim or programme. You will need to reassess the learner for any subsequent learning aims or programmes started in the current funding year which we can provide funding for.

18. If a learner starts a learning aim that we do not fund, we cannot do so later, even if the learner's circumstances change or if funding becomes available.

Definitions

Ordinarily resident

19. For funding purposes, a person is ordinarily resident in a country if they normally live in the country by choice, are allowed to live there by law, and return there after temporary trips outside the country.

20. If someone who has not been ordinarily resident in a country because they, their parent or their husband, wife or civil partner was working temporarily abroad, and they needed to go with them, we will treat them as if they were ordinarily resident of that country.

Civil partner

21. This is a person who is in a civil partnership as recognised by the state.

EEA citizen

22. Under the funding rules, this is an individual who is a citizen of Iceland, Liechtenstein, Switzerland and Norway. We recognise that all EU citizens, including

UK citizens, are EEA citizens. However, we need to define the smaller group of non-EU EEA citizens separately.

'No recourse to public funds'

23. In an individual's passport the UK Border Agency may have stamped 'No recourse to public funds'. 'Public funds' are defined in the immigration rules, and the benefits and services listed do not include education or any education funding. As a result, this condition in a passport makes no difference to a learner's eligibility, which must be decided under the normal eligibility conditions.

Learners from Wales, Scotland or Northern Ireland

24. Wales, Scotland and Northern Ireland have their own funding arrangements. You must develop arrangements with the relevant administration if you are planning to deliver a significant quantity of learning to non-English residents.

25. In exceptional circumstances, we will consider funding an individual or a very small group of non-English individuals, if specialist skills training is not available other than in England and they want to travel to or live in England to study and learn. You must contact us for authorisation before you recruit anyone. We will take into account the circumstances of any request, but it is unlikely that we will authorise more than 10 individual starts within a funding year. You must not actively recruit learners from outside of England. If the group or provision is large enough, you must approach the relevant administration to get direct funding for those learners.

26. For workplace learning we will fund non-English resident learners (usually those learners living in Wales, Scotland or Northern Ireland) whose main employment and normal working premises are in England.

27. If an employer, based in the UK, bases their training provision only in England and this would include non-English residents, you must ask our Central Delivery Service for permission to recruit. It is unlikely that we will authorise a group of more than 10 individual starts within a funding year.

28. We have funding arrangements with the funding councils for Wales and Scotland for providers who are close to the borders. This means providers can deliver learning in England to non-English residents who fall within their catchment area or vice versa.

29. All learners who are ordinarily resident in the Channel Islands or Isle of Man will not be eligible for funding as the funding responsibility for their programmes is with their own independent governments.

Learners in the armed forces

30. We recognise that British armed forces personnel may want to continue in education and training while serving their country. We will fund eligible programmes of study for service personnel, Ministry of Defence (MoD) personnel or civil and crown servants, their husbands, wives, civil partners and dependants in the following circumstances.

- 30.1. If the person has their permanent address in other parts of the UK but is on a posting elsewhere in England or is in England with a member of the service personnel, Ministry of Defence (MoD) personnel or a civil servant.
 - 30.2. If the person has their permanent address in England but is posted outside England as part of their work with the armed forces or is with a member of the service personnel, Ministry of Defence (MoD) personnel or a civil servant. This includes both cases where the person begins a learning aim or programme in England and is posted elsewhere while enrolled on this learning aim or programme, and cases where the person begins a learning aim or programme while posted outside England. In either case, we will fund the learning aim or programme until they finish it.
31. We treat members of the British armed forces posted outside of the EU as still ordinarily resident in the UK for eligibility purposes. This means that when they return to England, they do not have to be ordinarily resident in England for three years before being eligible. This also applies to the family members of these people. This eligibility will end three years after they leave the British armed forces, if the ex-member of the armed forces does not return to the UK during that time.
32. The provision in paragraph 30 above would also apply if ordinary residence in the EEA or Turkey is required and the learner or relevant family member has been a member of the armed forces of an EEA state or Turkey, as appropriate.
33. Individuals of other nationalities serving as members of the armed forces are eligible for funding throughout their period of service in the same way as members of the British armed forces. This includes the funding eligibility described above and their dependants living with them on their postings. This does not apply to family members who do not join members of the armed forces and instead stay outside of England.

Learners employed temporarily outside of England

34. If a person who is ordinarily resident in England has to work outside of England for short periods as part of their job, they (and their dependants if they are ordinarily resident in England), are eligible for funding as long as some of the learning takes place in England.

Periods of study outside of England

35. If during learning some activity means the learner has to travel outside of England, they will continue to receive funding. However, we will not provide extra funding to cover the expense of this activity.

Qualifying countries or areas that establish eligibility for our programme funding

36. Member states of the European Union

Austria	Germany	Poland
Belgium	Greece	Portugal
Bulgaria	Hungary	Romania
Croatia	Ireland	Slovakia
Cyprus	Italy	Slovenia
Czech Republic	Latvia	Spain
Denmark	Lithuania	Sweden
Estonia	Luxembourg	United Kingdom
Finland	Malta	
France	Netherlands	

Notes on certain territories that fall within the EU

37. The following notes help to define those territories that we must treat as part of the EU for the purposes of the fees regulations.

Cyprus: the whole island became part of the EU on 1 May 2004. Any Cypriot national living on any part of the island will qualify for EU residency.

Finland: this includes the Aland Islands.

France: the French Overseas Department (DOMS) (Guadeloupe, Martinique, French Guiana (Guyana), Reunion and Saint-Pierre et Miquelon) are part of metropolitan France and part of the EU.

Germany: includes the territory of the former German Democratic Republic before German unification. The tax-free port of Heligoland is included within the EU.

Portugal: Madeira and the Azores are part of the EU. Macau is not.

Spain: the Balearic Islands, the Canaries, Ceuta and Melilla are part of the EU.

United Kingdom: Gibraltar is part of the territory of the EU. The Channel Islands and Isle of Man are part of the United Kingdom and Islands but not part of the EU.

Other territories: Andorra, Monaco, San Marino and the Vatican are not part of the EU.

EEA and eligible overseas dependent territories

38. For overall funding eligibility purposes, the EEA is defined as all member states of the EU and Iceland, Liechtenstein, Switzerland, Norway and all the eligible British overseas territories and EU overseas territories listed below. In law, Switzerland is not part of the formally recognised EEA, but its nationals are similarly eligible under various international treaties signed by the UK and Swiss governments.

39. Learners who are nationals of certain British overseas territories and of certain European overseas territories are eligible for funding, depending on the three-year rule on residence in the EEA.

Eligible British overseas territories

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

Eligible overseas territories of other EU member states

Greenland and Faroe Isles
Antilles (Bonaire, Curacao, Saba, St Eustatius and St Maarten) Aruba
New Caledonia and its dependencies French
Polynesia
Saint Barthélemy
The Territory of Wallis and Futuna Islands Mayotte
French Southern and Antarctic Territories



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