

Apprenticeship funding rules August 2018 to July 2019 – version 1

Apprenticeship funding: rules and guidance for employers

The table summarises the relevant funding rule changes for employers highlighting where new rules have been included, those that are clarifications of existing rules and where the ESFA have restructured the section. The changes highlighted in red are additional amends made as a result of the consultation with employers in July 2018. All rules will apply to all apprenticeship programmes starting on or after 1st August, unless otherwise stated.

Section	Type of Change	Change	Paragraph Number
Full document changes	New Terminology	<ul style="list-style-type: none"> Genuine job changed to job with training Provider changed to main provider, employer provider or training provider 	-
A job with training	Clarification and rule change	<ul style="list-style-type: none"> Clarification: what a 'job with training' should be Rule change: the requirement for apprentice to stay with the employer after the apprenticeship has been achieved has been removed. 	E9-14, E27-28
Employment contract	Restructure	Restructure of the section	E15
Off-the-job training	Clarification New rule	<ul style="list-style-type: none"> Clarification: off-the-job training is a statutory requirement for an English apprenticeship. Clarification: that 20% off-the-job training should cover the planned duration of the training period within the apprenticeship, which for standards is the practical period (which ends at the gateway for end-point assessment (called the final day)). New rule: statutory leave should be deducted when calculating the 20% off-the-job requirement for all apprentices who begin their programme from 1 August 2018. Clarification: planned off-the-job training must be set out in the apprentice's commitment statement and it should be clear which components have been used to calculate the 20% requirement. 	E19, E23, E24, E25
The apprenticeship agreement between the employer and apprentice	Clarification	<ul style="list-style-type: none"> Clarification: reference included to relevant legislation on the apprenticeship agreement for frameworks. Clarification: a new apprenticeship agreement template has been published. Clarification: the start date in the apprenticeship agreement must align with the start date in the commitment statement. 	E30.2, E30.3, E33

The commitment statement between the employer, apprentice and main provider	Clarification	<ul style="list-style-type: none"> Clarification: that information pertaining to the 20% requirement must be on the commitment statement and it must be clear what components have been used towards the calculation and their source of funding. 	E36.5
Apprenticeship duration and employment hours	Clarification Restructure	<ul style="list-style-type: none"> Clarification: the minimum duration terminology has changed from one year to 12 months to reflect the language used in legislation. Examples are given of this rule in practice. Clarification: where an apprentice temporarily works part-time, the apprenticeship agreement must be extended. Restructure of the section 	E37, E46, E52
Who can be funded?	Clarification	<ul style="list-style-type: none"> Clarification: change of 'direct cost' to 'cost'. Apprentice must not be asked to contribute to cost of training or end-point assessment. 	E55.4
Individuals who are not eligible for funding	Restructure	Restructure of the section	E62
Apprentices who need access to Learning Support	Clarification	<ul style="list-style-type: none"> Clarification: rule restructured for ease of understanding. Learning support is available to put in place reasonable adjustments to support apprentices to continue and complete their apprenticeship. Clarification: who is eligible for learning support, now includes individuals who do not have a diagnosis but for whom the provider has identified and evidenced a learning need. Clarification: learning support must not be used to deal with everyday difficulties not directly associated with an apprenticeship. If an apprentice needs help at work they may be able to get help from Access to Work. 	E63, E64
Apprenticeship training agency (ATA)	Restructure	Restructure of the section	E65, E73
Eligible costs	Clarification	<ul style="list-style-type: none"> Clarification: distance and online learning have been replaced by the terms self-directed distance learning and interactive online learning (virtual classrooms). Clarification: that the time spent by managers/ employees mentoring apprentices is an eligible cost but only where this directly linked to the apprenticeships and not to line management responsibilities. Clarification: that for accommodation of any nature to be funded it must be a mandatory requirement of the apprenticeship standard that would apply equally to all apprentices following that standard. 	E77.4, E77.7, E77.10
Ineligible costs	Clarification New rule	<ul style="list-style-type: none"> Clarification: induction refers to provider induction. Clarification: as the ongoing development of existing materials is an ineligible cost, this is to make it clear therefore that the cost associated with the creation of original teaching materials relating to a new offer/standard is ineligible. Clarification: the reference to distance learning has been updated to self-directed distance learning. 	E81.1, E81.5 E81.6, E81.10, E82

		<ul style="list-style-type: none"> • New rule: confirmation that student membership fees, even where linked to mandatory qualifications, are an ineligible cost. • Clarification: inducements must not be paid to any other party in relation to the apprenticeship programme. 	
Additional payments	New policy	<ul style="list-style-type: none"> • New rule: before the provider can claim for any additional payments, they must have evidence that the apprentice is eligible. This information must be kept in the evidence pack. • New rule: where payments are generated for apprentices who are care leavers or have an EHC plan, a training provider must include the apprentice's consent to inform their employer they have an EHC plan. Further a provider must confirm the apprentice's status (and record this in the evidence pack) through evidence of a EHC plan or a letter / email from a local authority appointed Personal Advisor to confirm an individual is a care leaver. • Policy: recognising that many providers still deliver frameworks to 16 to 18 year olds, we are maintaining the 20% transitional uplift for 16 to 18 year olds or eligible 19 to 24 year olds. This measure is being extended and will be kept under review ahead of 2020. 	E85, E86, E89,
Support for English and maths training	Restructure Clarification	Restructure of the section <ul style="list-style-type: none"> • Clarification: an introduction to clarify the underpinning policy behind English and maths. 	E98-118, E98, E99-100, E101- 111, E12-118
End-point assessment	Clarification	<ul style="list-style-type: none"> • Clarification: previous rule (P128) split for ease of understanding. • Clarification: their employer in consultation with the main provider is content they have attained sufficient skills, knowledge and behaviours to successfully complete the apprenticeship. • Clarification: previous rule (P129) split up into bulleted list for ease of understanding. • Clarification: to reflect the position for standards with more than one set of gateway requirements • Clarification: the end-point assessment organisation for an integrated degree standard may also be the training provider, although the assessment must be conducted by someone who has not been involved in the delivery of the apprenticeship. • Clarification: the main provider must lead the relationship with the end-point assessment organisation including where the delivery of apprenticeship training is subcontracted. • Clarification: to reflect the role of the Institute for Apprenticeships. 	E119,120, 121.3, 123,125, E126, 127
Agreeing use of subcontractors with employers	Clarification	<ul style="list-style-type: none"> • Clarification: link to the 'Using subcontractors in the delivery of apprenticeships' document. 	E131
Paying for an apprenticeship	Clarification	<ul style="list-style-type: none"> • Clarification: funding method for apprenticeships is determined at the start of the apprenticeship. • Clarification: the funding bands, and standards and frameworks placed within them, may be subject to change. 	E141, E142.2

Accounting for prior learning	Clarification	<ul style="list-style-type: none"> Restructure of the section Emphasis/clarification: funds must not be used to pay for training in skills already attained. We will recover funding where this happens. Clarification: the provider must account for prior learning, you must reduce the content, duration and price where an appropriate. Clarification: the provider must include a thorough assessment of apprentice's existing knowledge, skills and behaviours against those required for apprenticeship. This includes work experience, previous apprenticeships and prior education. 	E145-7,
Apprenticeships funded by transfer of levy funds	Clarification	<ul style="list-style-type: none"> Clarification: transfer allowance is recalculated every tax year, unused allowance will not be carried forward. Clarification: for non-levy employers receiving a transfer of levy funds, where any apprentices who are not funded through transfers are entered onto the apprenticeship service, we will suspend all payments for the entire account and we will notify the receiving employer. Once this is rectified, a suspension of payments will be lifted. 	E177, E201
Where training or assessment stops	Restructure	Restructure of the section	E217-222
Summary of actions following change of circumstances	Restructure	Restructure of the section	E223-233
Annex A – Eligibility Criteria	Clarification New rules Restructure	<ul style="list-style-type: none"> Restructure of the section Clarification: the residency requirements for EEA citizens and non-EEA citizens. New rule: residency requirements for persons granted leave under section 67 of Immigration Act 2016. New rule: residency requirements for persons granted stateless leave. 	E238-241 E243.7, E251-254 E55