



Education & Skills
Funding Agency

Apprenticeship funding rules for employer-providers

August 2021 to July 2022

Version 3

This document sets out the funding rules for all employer-providers delivering apprenticeships from 1 August 2021 to 31 July 2022.

[View other apprenticeship funding rules](#)

May 2022

Of interest to employer-providers

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Introduction and purpose of the document

New for 1 August 2021

EP13 - Clarification: To remove reference to the Functional Skills Qualifications temporary flexibilities which have now ended.

New for 1 August 2021 – version 1

EP13 - Clarification: To reflect that the rules on changing to a new version of a standard will apply irrespective of the apprentice's start date and will include existing learners who started their apprenticeship programme in previous funding years.

- EP1** This document sets out the funding rules for employer-providers delivering apprenticeship training and on-programme assessment under the apprenticeship programme from 1 August 2021.
- EP2** You can find details on the features of the apprenticeship funding system including how we will calculate funding for organisations receiving funding from us in the [Apprenticeship Technical Funding Guide](#). You can also use the [Provider Support Manual](#) which provides additional guidance to support you to meet the requirements for Individualised Learner Record (ILR) data returns. The document includes detailed guidance and examples for completing the ILR for different types of learning provision and in different scenarios, in some cases worked examples relating to funding are provided.
- EP3** We use the term 'you' to refer to the 'employer-provider', that is, any organisation who delivers some, or all, of the 'off-the-job' training element of an apprenticeship to their own staff and holds a funding agreement with us through which we directly route funds from your [apprenticeship service](#) account or government-employer co-investment. The employer-provider will have overall responsibility for the training and on-programme assessment conducted by themselves, their delivery subcontractors and will have a contractual relationship for the end-point assessment conducted by an end-point assessment organisation. The payment for the end-point assessment is through the employer-provider.
- EP4** We use the term 'employer' to mean an organisation that has a contract of service and an [apprenticeship agreement](#) with an apprentice. This can include an apprenticeship training agency (ATA). This may also include a company or charity whose PAYE scheme the employer has connected to their apprenticeship service account in accordance with HMRC's definition of [connected companies and charities](#). All references to an 'employer' are in relation to the whole organisation and not individual sites or locations.
- EP5** The terms 'we', 'our', 'us' and 'ESFA' refer to the Education and Skills Funding Agency.
- EP6** These rules form part of your terms and conditions for the use of funds in your apprenticeship service account or for government-employer co-investment. You must read them in conjunction with your funding agreement with the Secretary of State for Education (acting through the Education and Skills Funding Agency (the ESFA), an executive agency of the Department for Education).

- EP7** The ESFA may make changes to these rules.
- EP8** You must operate within the terms and conditions of your funding agreement, which includes these rules, and the [individualised learner record specification](#). If you do not, you will be in breach of your funding agreement with the ESFA.
- EP9** If you breach your funding agreement, we reserve the right to take action.
- EP10** We will review and monitor whether the training you provide represents good value for money. If we consider that the funds in your apprenticeship service account, or government-employer co-investment, we have provided are significantly more than the cost of the education and training, we may reduce the amount of funding we pay you after consulting with you.
- EP11** We may take action including the recovery of all or part of the government funding from you if we are satisfied that there has been a breach of the funding rules. This includes where claims are made for funding through your apprenticeship service account, government co-investment or incentive payments for hiring a new apprentice to which you are not entitled.
- EP12** You can contact us through our [enquiry form](#). You can also contact your employer account manager / adviser.
- EP13** These rules will apply to all apprenticeship programmes starting on or after 1 August 2021, with the following exceptions:
- EP13.1** The redundancy rules outlined in paragraphs EP343 to EP344, which describe the arrangements for any redundancy that occurs on or after 15 October 2020. These rules will apply irrespective of the apprentice's start date and will include existing learners who started their apprenticeship programme in previous funding years.
- EP13.2** The rules on changing to a new version of a standard (detailed in paragraphs EP354 to EP367), which describe the rules for when an existing apprentice wishes to move to a new version of the same standard. These rules will apply irrespective of the apprentice's start date and will include existing learners who started their apprenticeship programme in previous funding years.
- EP14** All new apprentices must start on [apprenticeship standards](#).
- EP15** All new apprentice starts with both levy and non-levy paying employers must be funded through the apprenticeship service. Employers who do not pay the levy can reserve funds using the apprenticeship service to access apprenticeship funding. More information on reservation of funds can be found paragraphs EP274 to EP288 of this document.
- EP16** Any apprenticeship which started before 1 August 2021 will continue to follow the rules in force at that time. These can accessed on [GOV.UK](#).
- EP17** Some occupations require the training provider to be approved by a regulatory body before being able to deliver training for the apprenticeship. We may take action to

recover apprenticeship funding where you have delivered training but do not have the necessary approval.

Relevant legislation

- EP18** These rules constitute funding conditions made under section 101 of the [Apprenticeships, Skills, Children and Learning Act 2009](#) (ASCLA 2009), in connection with the Secretary of State's power to fund English statutory apprenticeships under section 100(1A) (as inserted by the [Enterprise Act 2016](#)).
- EP19** These rules will make clear where necessary how they apply to English statutory apprenticeships taking place on apprenticeship standards.

Recruit an apprentice

- EP20** [Recruit an apprentice](#) is a free tool to help you recruit new apprentices into your business. It is not mandatory to use this service.
- EP20.1** Where you advertise, on recruit an apprentice, you must make it clear in the advert how many hours the apprentice will be expected to work per week for the role and how long the apprenticeship will last. This must meet the minimum duration requirement (see paragraphs EP30 to EP39).

Programme eligibility

What is an apprenticeship?

New for 1 August 2021

EP21 - Clarification: To be clear who is ultimately responsible for on- and off-the-job training.

EP22 - Clarification: Improved clarity around the role of initial assessment in verifying the eligibility of the individual and suitability of the programme for funding.

- EP21** An apprenticeship is a job with training. Through an apprenticeship, an apprentice will gain the technical knowledge, practical experience and wider skills and behaviours that they need for their immediate job and future career. The apprentice gains this through:
- EP21.1** formal off-the-job training (which is fundable by government, provided both the individual and the programme can comply with these funding rules) and
- EP21.2** the opportunity to apply these new skills in a real work environment (in the productive job role) through on-the-job training, which is the responsibility of you (as the apprentice's employer).
- EP22** If you are accessing government funding to deliver an apprenticeship you must ensure the individual and the programme are eligible for funding by conducting an initial assessment of the individual's abilities in line with the proposed apprenticeship. Your initial assessment must, as a minimum, include:

EP22.1 identification and recognition of the individual's relevant prior learning (see paragraphs EP58 to EP63)

EP22.2 relevant diagnostic testing (where required) and

EP22.3 the identification of any learning support needs (see paragraphs EP82 to EP90).

EP23 The results of the initial assessment you carry out must confirm that:

EP23.1 the individual requires significant new knowledge, skills and behaviours to be occupationally competent in their job role;

EP23.2 the training programme aligns with an approved apprenticeship standard, at the most appropriate level;

EP23.3 identification and recognition of prior learning has taken place and the programme content, duration and price has been appropriately reduced;

EP23.4 the required training meets the funding rules relating to the minimum duration of the practical period (paragraphs EP30 to EP39) and minimum threshold of off-the-job training (paragraph EP44);

EP23.5 you are satisfied that the apprenticeship is the most appropriate training programme for the individual;

EP23.6 the job role being undertaken by the apprentice has a productive purpose; and

EP23.7 you are providing the apprentice with the appropriate support and supervision to carry out their job role and their apprenticeship. This includes the opportunity to embed and consolidate the knowledge, skills and behaviours gained through apprenticeship off-the-job training into the workplace.

EP24 You must be satisfied that that the apprenticeship is a statutory English apprenticeship.

EP24.1 This means it is an arrangement that is taking place under an approved English apprenticeship agreement (see paragraphs EP25 to EP26.4), or is an alternative English apprenticeship (see paragraphs EP27 to EP28).

Apprenticeship agreement (between you and the apprentice)

New for 1 August 2021

EP26 - Clarification: Section reformatted.

EP26.2 - Clarification: Clarity on the ILR field name and it's link to the apprenticeship agreement.

EP25 The apprentice must be employed by you for a period which is long enough for the apprentice to complete the apprenticeship successfully (including the end-point assessment).

EP26 You must have evidence that the apprentice has an apprenticeship agreement with you at the start of, and for the duration of, their apprenticeship. This is defined in section A1(3) of the [Apprenticeships, Skills, Children and Learning Act 2009](#) (as amended by the [Enterprise Act 2016](#)) and the [Apprenticeships \(Miscellaneous Provisions\) Regulations 2017](#).

EP26.1 This approved English apprenticeship agreement must set out:

EP26.1.1 the apprentice's details (name, place of work)

EP26.1.2 the apprenticeship standard and level being followed

EP26.1.3 the start and end date of the apprenticeship (this includes end-point assessment)

EP26.1.4 the start and end date of the practical period (this excludes the end-point assessment)

EP26.1.5 the duration of the practical period (see paragraphs EP30 to EP39 re minimum duration)

EP26.1.6 the amount of time the apprentice will spend in off-the-job training

EP26.2 The practical period start date set out in the apprenticeship agreement must match the practical period start date in the commitment statement and the learning start date in the ILR.

EP26.3 If the apprenticeship agreement is incomplete, and / or does not meet the statutory requirements, the individual will not have a valid agreement and will not be eligible to receive funding.

EP26.3.1 A template [apprenticeship agreement](#) is available on GOV.UK. This template does not have to be used. Where an alternative is used, the requirements of the legislation as described above must be met when forming an apprenticeship agreement.

EP26.4 The signed apprenticeship agreement must be distributed to both signatories (you and the apprentice) and you must keep a copy of this in the evidence pack, along with any revisions.

Alternative English apprenticeship

New for 1 August 2021

EP27 - Clarification: To be clear on the provider's responsibility in relation to the apprenticeship agreement.

- Text relating to the previous redundancy policy has been removed.

EP27 You must have evidence that the apprentice has an apprenticeship agreement (with you as their employer) in place (paragraph EP26). The only exceptions to this are:

EP27.1 Apprentices who have been made redundant on or after 15 October 2020 and on the day of dismissal:

EP27.1.1 Are within six months of the final day of the apprenticeship practical period OR they have completed at least 75% of the apprenticeship practical period (see paragraph EP343). These apprentices can be funded to completion, without the need for a contract of employment or an apprenticeship agreement.

EP27.1.2 Have completed less than 75% of the apprenticeship practical period and the remaining training represents a training duration of more than six months (see paragraph EP344). These apprentices may seek a new apprenticeship agreement which may have a duration of less than 12 months if required, and our policy is that we will fund them for up to 12 weeks while they seek a further agreement.

EP27.2 Particular office holders, namely constables of English police forces and ministers or trainee ministers of a religious denomination.

EP28 In relation to these alternative apprentices, except for the requirement to have a contract of employment and an apprenticeship agreement, you must comply with all the other rules set out in this document.

Apprentice wages

New for 1 August 2021

EP29 - Clarification: Added clarity on the provider's role.

EP29 Every apprentice must be paid a lawful wage for the time they are in work and in off-the-job training. You are responsible for meeting the cost of the apprentice's wage and for keeping the evidence of this.

EP29.1 Where you are using the apprenticeship minimum wage you must only do so from the start of the apprenticeship programme and not before.

EP29.2 You can find information on the [national minimum wage, the apprenticeship rate, and the definition of an employee](#) on GOV.UK.

Minimum duration and employment hours

New for 1 August 2021

EP38 - Clarification: Subtitle changed to clarify that there is no 'exception' to the minimum duration, rather there are circumstances where multiply periods of learning can be added together to comply with the requirement.

EP38.2 - New Rule: Sub-rule added to support standards versioning.

Minimum duration of the practical period

EP30 An apprenticeship must provide for a practical period of work and training that lasts for a minimum duration of 12 months. This includes where the content, duration and price has been adjusted to recognise prior learning (see paragraphs EP58 to EP63. For example, to satisfy this requirement, an apprentice who starts their training on 1 August 2021 must still be receiving training on 31 July 2022.

EP30.1 The apprentice must be involved in active learning throughout an apprenticeship (see paragraph EP43.3).

EP30.2 The standard specification or assessment plan may require this practical period of training to be longer to support the delivery of the full apprenticeship content.

EP31 The end-point assessment can only be taken after the minimum duration has been met. You must confirm this as part of the gateway checks.

EP32 The minimum duration of each apprenticeship is based on the apprentice working at least 30 hours a week, including any off-the-job training they undertake.

EP32.1 Working fewer than 30 hours a week (see paragraphs EP33 to EP36) or being on a zero-hours contract (see paragraph EP37) must not be a barrier to successfully completing an apprenticeship.

EP32.2 We will monitor working hours data and patterns of behaviour to ensure that sufficient off-the-job activity is undertaken to ensure successful completion of the apprenticeship, regardless of the number of hours worked. We reserve the right to take action where alternative working patterns are not managed appropriately leading to a reduction in the quality of the apprenticeship.

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

EP33 If, at the beginning of the programme, the apprentice works fewer than 30 hours a week you must extend the expected duration of the apprenticeship on the ILR (pro rata) to take account of this. You must also extend the dates on the apprenticeship agreement and commitment statement.

EP33.1 Where there is a change of circumstance to the working hours of the apprentice during the programme, please see paragraphs EP370 to EP373.

EP34 Where a part-time working pattern is needed, you must agree with the apprentice the extended apprenticeship duration. You must extend the minimum duration using the following formula:

EP34.1 $12 \times 30 / \text{average weekly hours} = \text{new minimum duration in months}; \text{ or}$

EP34.2 $52 \times 30 / \text{average weekly hours} = \text{new minimum duration in weeks}.$

EP35 The apprentice must work enough hours each week so that they can undertake sufficient regular training and on-the-job activity. This is to ensure the apprentice is likely to successfully complete their apprenticeship. You must keep evidence of the agreed average weekly hours, including time spent on off-the-job training in the evidence pack.

EP36 You must allow the apprentice to complete the apprenticeship off-the-job training within their normal working hours, in addition to any English and maths training required. You must evidence this in the evidence pack.

Zero hours contracts

EP37 Zero-hours contracts are acceptable only where all of the other rules in this document are met.

EP37.1 For an apprentice with a zero-hour contract you must extend the duration of the apprenticeship in proportion to the hours they work.

EP37.2 An apprentice with a zero-hours contract must be allowed to complete their apprenticeship in their working hours, including the off-the-job training. Where this is not possible, you must record a break in learning in the apprenticeship.

Episodes of learning below the minimum duration requirement

EP38 The only circumstances in which an episode of apprenticeship learning can fall below the minimum duration requirement are where an apprentice:

EP38.1 Is made redundant with more than six, but less than 12 months remaining before their final day. In these cases, they may seek a further apprenticeship agreement which takes their prior apprenticeship experience into account. This further agreement may provide for a duration of less than 12 months;

EP38.2 Transfers onto a newer version of the same standard (where the ST code remains the same);

EP38.3 Transfers between main providers but remains on the same standard; and

EP38.4 Returns to the same apprenticeship after a break in learning or withdrawal.

EP39 For the circumstances described in paragraph EP38 you must have evidence that the total amount of time spent on their apprenticeship, which may include more than one episode of learning, meets the minimum duration requirement.

Off-the-job training

New for 1 August 2021

EP40.1 - Clarification: To be clear that off-the-job training should only be delivered in the practical period.

EP43.2 - Clarification: To include references to alternative delivery methodologies.

EP43.3 - Clarification: To be clear that apprentices must be engaged in active learning or on a break in learning (if inactive for 4 weeks or more).

EP44.4 - Clarification: To be clear that off-the-job training should only be delivered in the practical period.

EP53 - Clarification: Added clarity around breaks in learning and the impact on off-the-job training.

EP56.2 - New rule: Where a signed summary statement is required, this should be completed and signed by the relevant parties, and made available as part of the evidence pack, within 12 weeks of the apprentice completing their apprenticeship.

What is off-the-job training?

EP40 Off-the-job training is a statutory requirement for an English apprenticeship.

EP40.1 It is training which is received by the apprentice, within their practical period, during the apprentice's normal working hours, for the purpose of achieving the knowledge, skills and behaviours of the approved apprenticeship referenced in the apprenticeship agreement. By normal working hours we mean paid hours, excluding overtime.

EP40.2 It is not on-the-job training which is training received by the apprentice for the sole purpose of enabling the apprentice to perform the work for which they have been employed. By this we mean training that does not specifically link to the knowledge, skills and behaviours of the apprenticeship.

EP41 Off-the-job training must deliver new skills that are directly relevant to the apprenticeship. It can include the following:

EP41.1 the teaching of theory (for example, lectures, role playing, simulation exercises, online learning, and manufacturer training);

EP41.2 practical training, shadowing, mentoring, industry visits, and participation in competitions; or

EP41.3 learning support and time spent writing assessments / assignments.

EP42 Off-the-job training does not include:

EP42.1 training to acquire knowledge, skills and behaviours that are not required in the apprenticeship standard;

EP42.2 progress reviews or on-programme assessment required for an apprenticeship standard; or

EP42.3 training which takes place outside the apprentice's normal working hours.

EP43 It is up to you to decide when and where the off-the-job training is delivered.

EP43.1 It can include training that is delivered at the apprentice's normal place of work.

EP43.2 It can be spread evenly over the duration of the apprenticeship (e.g. regular day release) or it can include block release (e.g. front-loaded training) and special training days / workshops.

EP43.3 The apprentice must be involved in active learning throughout the apprenticeship (see paragraph EP30.1). Where an individual agrees, with their provider and employer, to take a break of at least 4 weeks from their apprenticeship (with or without a break from work) but plans to return to their apprenticeship in the future, a break in learning must be used (see paragraphs EP331 to EP334).

Calculating off-the-job training

EP44 To be eligible for government funding at least 20% of the apprentice's normal working hours, over the planned duration of the apprenticeship practical period must be spent on off-the-job training.

EP44.1 If the apprentice works less than 30 hours per week, they are considered to be part-time and you must extend the duration (see paragraphs EP33 to EP36).

EP44.2 Apprentices must receive the volume of high-quality apprenticeship training that they need to develop full occupational competence. You must not deliver the minimum number of hours required by the policy where the apprentice requires more than this minimum requirement. Apprentices may need more than 20% off-the-job training.

EP44.3 The volume of training hours you plan to deliver must be supported by the initial assessment.

EP44.4 The practical period ends at the gateway for end-point assessment. Off-the-job training does not take place in the end-point assessment period of an apprenticeship.

EP45 When calculating the required amount of off-the-job training, the apprentice's statutory leave entitlement must be deducted. Employees who work a 5-day week receive at least 28 days paid annual holiday (this is the statutory leave entitlement referred to in this paragraph and is the equivalent of 5.6 weeks of holiday). You must pro-rata this for part time workers.

EP46 English and maths training, up to and including level 2, does not count towards the minimum 20% off-the-job training requirement; where required this must be delivered in addition to the minimum requirement.

EP47 It must be clear to all parties how you have worked out the amount of off-the-job training required to comply with paragraph EP44 and you must record this in the evidence pack.

Documenting off-the-job training

EP48 The number of planned off-the-job training hours, for the full apprenticeship, must be documented on the apprenticeship agreement and the commitment statement. These must be separate documents.

EP49 Since 1 August 2019 planned off-the-job training hours must also be documented on the individualised learner record. You must not change this figure once submitted (except for a data input error at the beginning of the programme).

EP50 From 1 August 2020, for the learners referenced in paragraph EP49 (those where we have planned hours information on the ILR), we also require actual off-the-job training hours to be documented on the ILR at the end of the practical period.

EP50.1 We do not require actual hours information on the ILR where the apprenticeship has been disrupted by

EP50.1.1 a change of provider;

EP50.1.2 a change of programme; or

EP50.1.3 where an apprentice has been withdrawn from the programme or put on a break in learning.

EP50.2 We reserve the right to include these at a later date.

Delivering off-the-job training

EP51 Evidence must be available to support the delivery of the planned off-the-job training that is set out in the apprentice's commitment statement (see paragraphs EP64 to EP66). It must be clear which elements of the commitment statement have been used towards the calculation of the 20% requirement and which have not (see paragraphs EP41, EP42 and EP46).

EP52 If planned off-the-job training is unable to take place as scheduled, you must ensure this is re-arranged so that the full complement of training set out in the commitment statement can still be delivered. All off-the-job training must take place during normal working hours.

EP52.1 Apprentices may choose to spend additional time on training outside these hours, but this must not be required to complete the apprenticeship and must not be included in the 20% calculation.

EP53 When the apprentice takes a period of leave from their work, in excess of 4 weeks, we expect that the apprentice will take a break in the training they are to receive (a break in learning). The apprentice may also take a break from learning without taking a break from work.

EP53.1 You and the apprentice must revise the date in the apprenticeship agreement on which the apprenticeship was expected to have been

completed to account for the duration of the break. The duration of the apprenticeship and the amount of off-the-job training needed to meet the 20% requirement would therefore remain the same as though there had been no break in training (break in learning).

EP53.2 Apprentices on maternity, adoption or shared parental leave may use their statutory keep in touch (KIT / SPLIT) days to continue with off-the-job training during their period of leave. Please refer to paragraphs EP345.3 to EP353 for further information.

EP54 During the programme, where it becomes clear, through the regular progress reviews that the original volume of planned off-the-job training hours, that were agreed at the beginning of the programme, will not be delivered, this must be discussed and agreed with the apprentice and documented on a new version of the commitment statement (see paragraph EP64.2).

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

EP55 At the end of the programme, if the volume of off-the-job training hours delivered is less than the original volume of planned hours (agreed with the apprentice at the beginning of the programme) you must produce a statement to summarise the following information:

EP55.1 The original volume of planned hours (as documented on the original apprenticeship agreement and commitment statement and recorded in the planned hours field of the ILR). This volume must have equated to at least 20% of the apprentice's working hours over the planned duration of the programme (see paragraph EP44) but may have been more than the minimum 20% requirement.

EP55.2 The actual hours delivered (as supported by proof of delivery in the evidence pack and recorded in the actual hours field of the ILR).

EP55.3 The volume difference between these two figures.

EP55.4 The reason for this difference (e.g. prior learning has been identified part way through the apprenticeship or an apprentice has completed the full content over a shorter timescale).

EP55.5 Confirmation that the off-the-job training hours actually delivered were at least 20% of the apprentice's normal working hours over the actual time on programme.

EP55.6 Confirmation that the apprenticeship met the minimum duration threshold (12-month practical period).

EP56 You and the apprentice must countersign this statement if you both agree with, and are satisfied with, the quantity of training that was delivered, even though this is different to the original volume agreed at the beginning of the programme.

EP56.1 The summary statement must align with changes made in the commitment statement(s). The statement serves only as a summary of these changes and is not a substitute for the commitment statement

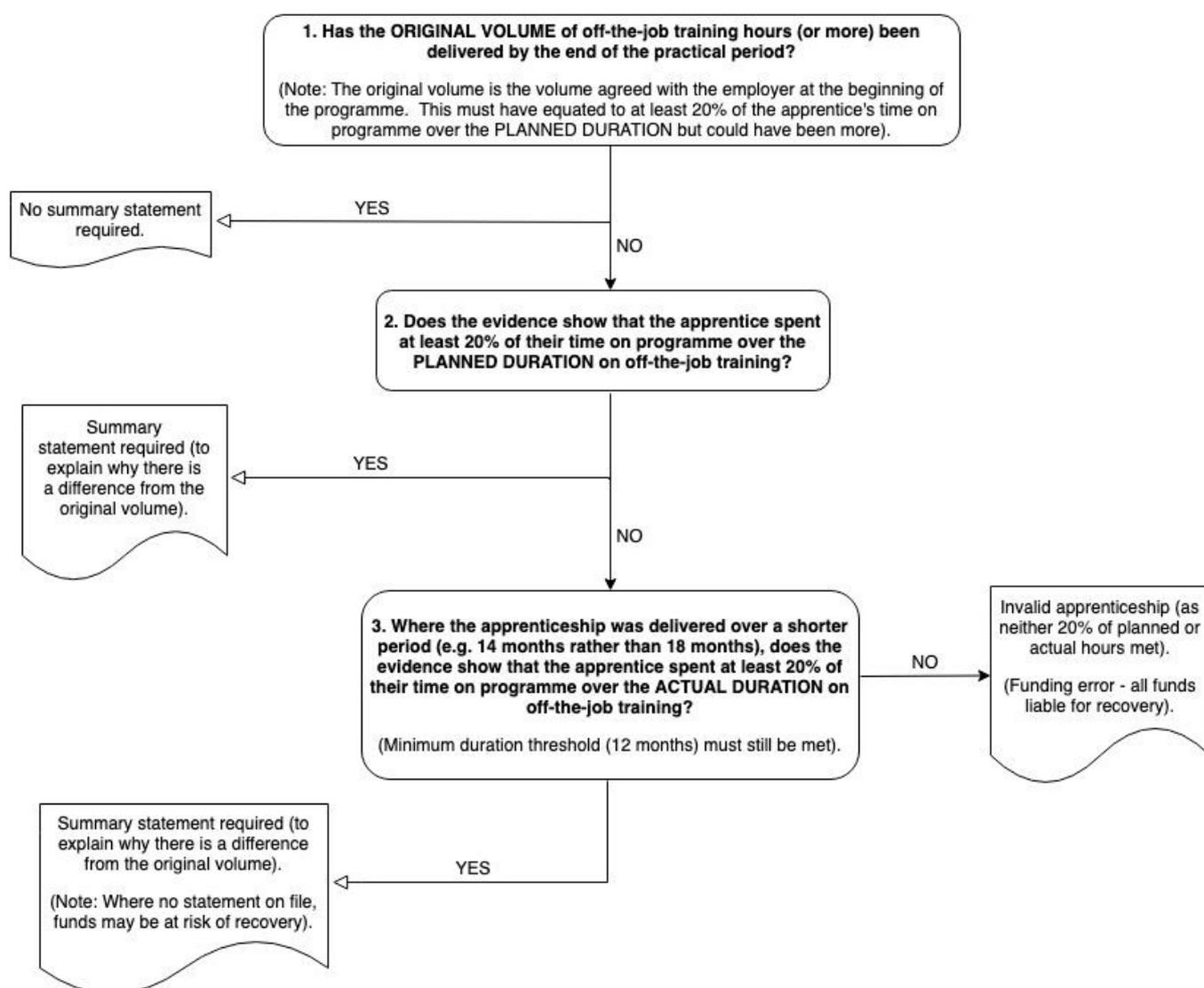
being updated, where necessary, on an ongoing basis (e.g. as a result of progress reviews) (see paragraph EP64.2).

EP56.2 Where a signed summary statement is required (see flowchart below), this should be completed and signed by the relevant parties, and made available as part of the evidence pack, within 12 weeks of the apprentice completing their apprenticeship.

EP56.3 Where a signed summary statement is required, and this not available in the evidence pack, funds may be at risk of recovery.

EP56.4 If the apprentice has spent less than 20% of their actual time on the programme on off-the-job training, then the programme is not a valid apprenticeship and all funding is at risk of recovery.

Flow chart: What to check if the actual duration and off-the-job training delivered is less than the original planned duration and volume of off-the-job training



EP57 Further information about off-the-job training can be found on the [off-the-job training](#) page on GOV.UK

Recognition of prior learning and experience

New for 1 August 2021

EP59 - Clarification: To clarify that the individual's prior learning and experience must be assessed through a robust Initial Assessment before starting the apprenticeship.

EP59 - Clarification: To specify which knowledge, skills and behaviours must be included in the Initial Assessment.

EP60 - Clarification: To reflect that prior work experience, particularly where the apprentice is an existing employee, or is beginning their apprenticeship after completing another programme with a relevant work placement must be reflected in your appraisal of knowledge, skills and behaviours.

EP61- Clarification: To clarify where the content, duration and cost must be reduced where the individual has prior learning necessary to achieve occupational competence.

- EP58** Funds must not be used to pay for training for knowledge, skills and behaviours already attained by the apprentice. We may take action to recover apprenticeship funding where this happens.
- EP59** You must assess the individual's prior learning and experience before starting the apprenticeship through a robust Initial Assessment of the apprentice's current competence against the knowledge, skills and behaviours of the standard. This should quantify:
- EP59.1** The knowledge, skills and behaviours in the standard which the apprentice already has, and needs no further training on
 - EP59.2** The training content the apprentice will omit and the reduction in duration as a consequence.
 - EP59.3** The amount by which you will reduce the total cost.
- EP60** Where applicable, your assessment must include any knowledge, skills and behaviours gained from the following:
- EP60.1** Prior work experience, particularly where the apprentice is an existing employee, or is beginning their apprenticeship after completing another programme with a relevant work placement
 - EP60.2** prior education or training and associated qualifications in a related sector subject area; and
 - EP60.3** any previous apprenticeship undertaken.
- EP61** You must account for prior learning and experience, following your initial assessment when calculating the actual cost of the apprenticeship. You must reduce the content, duration and cost, where the individual has prior learning necessary to achieve the apprenticeship including:

- EP61.1** The training content must be reduced so the apprentice does not receive training on elements of the standard where they are fully competent.
- EP61.2** The duration must be reduced in proportion to the adjusted amount of training to be delivered, while ensuring the programme meets the 20% off-the-job training and minimum duration requirements set out in EP62 (below).
- EP61.3** The reduction in the total cost of training must accurately reflect what you are delivering to the apprentice when compared to an apprentice with no relevant prior learning or experience. Your fixed costs may mean that a like-for-like reduction in the total cost of training will not be possible where the apprentice omits an element of the programme. However, we expect to see a proportionate reduction in the cost.

EP62 Where you account for prior learning and experience and the reduction of content would mean the apprenticeship would take less than the minimum duration to complete (as set out in paragraphs EP30 to EP39) or would fail to meet the requirement for the apprentice to spend 20% of their time in off-the-job training (as set out in paragraph EP44) the apprenticeship is ineligible for funding.

EP63 The initial assessment must be documented in the evidence pack and must demonstrate how prior learning has been taken into account to adjust the training content, duration and cost.

The commitment statement (training plan) between the employer-provider and the apprentice

EP64 Before the apprenticeship practical period starts and before the apprenticeship agreement is signed, you and the apprentice must have contributed to and signed a copy of the commitment statement (often known as the training plan). This must set out the training that will be delivered in the practical period and how all parties (you (as the employer and as the provider) and the apprentice) will support the achievement of the apprenticeship.

EP64.1 The commitment statement and apprenticeship agreement must be separate documents.

EP64.2 The commitment statement must be kept up to date with any material changes (e.g. as a result of changes agreed at a progress review).

EP64.3 A template [commitment statement](#) is available on GOV.UK. It is not mandatory to use this template.

EP65 All parties must keep a current signed and dated version of the commitment statement. You must keep your version (and previous versions) in the evidence pack with the apprenticeship agreement.

EP66 The commitment statement must set out:

- EP66.1** The name of the apprentice, their job role and their normal working hours. By normal working hours we mean their paid hours excluding overtime.
- EP66.2** Details of all relevant parties (your details (and any subcontractors involved in the delivery of off-the-job training) and the end-point assessment organisation. We recognise that while new standards continue to be developed, not all end-point assessment organisations will be known at the start of the apprenticeship. The commitment statement must be updated to include these details as soon as they have been confirmed.
- EP66.3** Details of the apprenticeship, including the name of the apprenticeship standard, the level, the start and end-dates for both the apprenticeship and the practical period of training. The start date of the practical period set out in the commitment statement must align with the start date of the practical period in the apprenticeship agreement and the learning start date in the ILR.
- EP66.4** The volume of off-the-job training hours that will be delivered; this must at least meet the minimum 20% requirement (see paragraphs EP41, EP42 and EP46 for what can and cannot be included in this calculation). The individual's prior learning must be taken into account before calculating the off-the-job training requirement and designing the programme.
- EP66.5** The planned content / components. For standards with mandatory qualification(s) this must be, as a minimum, a list of the units. For standards without a mandatory qualification this must be a description of the activities that the apprentice will undertake to develop occupational competency. It must also be clear if the component has been used towards the calculation of the minimum 20% off-the-job training requirement.
- EP66.6** The schedule of when the training will be delivered (e.g. one day per week, block release, front loaded).
- EP66.7** An agreement of what is expected from, and offered by, the apprentice and you as the employer and main provider (and any delivery subcontractors) to achieve the apprenticeship (i.e. roles and responsibilities) and details of how all parties will work together. This must include contact details and the expected commitment from each party.
- EP66.8** Written confirmation that you (the employer) will allow the apprentice to undertake off-the-job training within their normal working hours, in addition to English and maths training if required.
- EP66.9** Details of progress reviews (involving you as the employer-provider and the apprentice), including the frequency and format, to discuss progress to date against the commitment statement and the immediate next steps required.

- EP66.10** The process for resolving any queries or complaints regarding the apprenticeship, including quality. This must include details of the escalation route within your organisation and the escalation process to the ESFA Apprenticeship Service Support on 08000 150 600 or helpdesk@manage-apprenticeships.service.gov.uk.

Who can be funded?

Individuals who are eligible for funding

New for 1 August 2021

EP68.3 - Clarification: To be clear that we are referencing eligible training costs.

- EP67** You are responsible for checking the eligibility of the individual at the start of their apprenticeship programme. You can only use funds in your apprenticeship service account, or government-employer co-investment, for those who are eligible. You must retain evidence of the individual's eligibility.
- EP68** To use funds in your apprenticeship service account or government-employer co-investment, the individual must:
- EP68.1** Start their apprenticeship after the last Friday in June of the academic year in which they have their 16th birthday.
 - EP68.2** Be able to complete the apprenticeship within the time they have available. If you know an individual is unable to complete the apprenticeship in the time they have available, they must not be funded.
 - EP68.3** Not be asked to contribute financially to the eligible costs of training, on-programme or end-point assessment. This includes both where the individual has completed the programme successfully or has left the programme early. Costs include any co-investment or additional training and assessment costs above the funding band, where this is part of the agreed apprenticeship.
 - EP68.4** Not use a student loan to pay for their apprenticeship. Where an individual transfers to an apprenticeship from a full-time further education or higher education course, and that course has been funded by a student loan, the loan must be terminated by the individual and you must be satisfied that this has occurred.
 - EP68.5** Spend at least 50% of their working hours in England over the duration of the apprenticeship. When determining eligibility at the start of the apprenticeship, you must be confident that the apprentice will spend at least 50% of their working hours in England over the duration of the apprenticeship. For working hours to be counted in the 50% limit, they must be regular, planned, and known at the start of the apprenticeship. Refer to Annex A (paragraph EP438) for exceptions to this rule.
 - EP68.5.1** You must make separate arrangements with the relevant devolved administration if you are planning to deliver

apprenticeships to individuals who spend more than 50% of their working hours in a devolved administration over the duration of their apprenticeship, including time spent on off-the-job training.

- EP68.6** Have the right to work in England.
- EP68.7** Have an eligible residency status (information can be found in the residency eligibility section in Annex A).
- EP69** You can only use funds from your apprenticeship service account or employer-government co-investment for apprentices employed by you or a [connected company or charity](#) as defined by HMRC. This also applies where the apprentice is funded by a transfer of funds from another employer.
- EP70** You must give accurate unique learner number (ULN) information to the apprenticeship service, awarding organisations and end-point assessment organisations and ensure all information used to register apprentices is correct.
- EP71** We will fund an apprentice to undertake an apprenticeship at a higher level than a qualification they already hold, including a previous apprenticeship.
- EP72** We will fund an apprentice to undertake an apprenticeship at the same or lower level than a qualification they already hold, if the apprenticeship will allow the individual to acquire substantive new skills and you can evidence that the content of the training is materially different from any prior qualification or a previous apprenticeship. More information is detailed in paragraph EP397.3.
- EP73** The age of the apprentice on the day they start their apprenticeship will be used for all age-based eligibility criteria for that apprenticeship.
- EP74** An apprentice's eligibility will not change during the apprenticeship, unless their employment status also changes (see paragraphs EP328 to EP336).
- EP75** You must reassess an individual for any new apprenticeship.
- EP76** If you no longer employ the apprentice, you must report them as having withdrawn from the apprenticeship on the ILR. If the apprentice has been made redundant, see paragraph EP77.
- EP77** If the apprentice is made redundant we will continue to fund employer-providers to deliver their training, even if they cannot find another employer, in the circumstances below:
- EP77.1** Apprentices who are made redundant on or after 15 October 2020 and are either within six months of the final day of the apprenticeship practical period OR they have completed at least 75% of the apprenticeship practical period. These apprentices will be funded to completion (subject to the conditions set out in paragraph EP343).
- EP77.2** Apprentices who do not meet the conditions of paragraph EP77.1 above. We will fund the training of these apprentices for 12 weeks while they seek a further apprenticeship agreement (subject to the conditions set out in paragraph EP344).

Individuals who are not eligible for funding

New for 1 August 2021

EP81 to EP81.2 - Clarification: The Ministry of Justice provides that prisoners, both in custody and released on temporary license, cannot sign a contract of employment. Therefore, the rules have been updated to clarify that prisoners are not eligible apprentices.

EP78 You must not claim funding for individuals who do not meet the eligibility criteria set out in this document unless they are eligible under the [Education \(Fees and Awards\) \(England\) Regulations 2007](#) (as amended). You must not claim for individuals who:

EP78.1 are here illegally;

EP78.2 are resident in the United Kingdom on a Student visa unless they are eligible through meeting any other of the categories described in Annex A;

EP78.3 are in the United Kingdom on holiday, with or without a visa;

EP78.4 have overstayed their immigration or visitor visa;

EP78.5 are a family member of a person granted a Student visa, have been given immigration permission to stay in the UK and have not been ordinarily resident in the UK for the previous three years on the first day of learning;

EP78.6 are ordinarily resident in the Channel Islands or Isle of Man, unless they are also ordinarily resident within England; or

EP78.7 have a biometric residence permit or residence permit imposing a study prohibition or restriction on the individual.

EP79 To use funds in your apprenticeship service account or government-employer co-investment, the individual must not:

EP79.1 be undertaking another apprenticeship;

EP79.2 be undertaking training funded through AEB, where that training will:

EP79.2.1 replicate vocational and other learning aims covered by the apprenticeship, including English and maths;

EP79.2.2 offer career related training that conflicts with the apprenticeship aims; or

EP79.2.3 be taking place during working hours. Where an apprentice has more than one job, working hours refers to the hours of the job the apprenticeship is linked to.

EP79.3 be in receipt of any other direct DfE funding during their apprenticeship programme; this includes any other DfE funded FE / HE programme

including programmes funded by a student loan, but excludes funding outlined in EP79.2; or

EP79.4 undertake any part of an apprenticeship whilst on a sandwich placement as part of a degree programme.

EP80 As an exception to EP79.2, an individual may commence an apprenticeship, and attract funding, where they have less than four weeks to completion of an existing DfE funded course.

EP81 To use funds in the employer's apprenticeship service account or government-employer co-investment, the individual must also not be:

EP81.1 A prisoner in custody or a prisoner released on temporary license.

EP81.2 The policy of the Ministry of Justice is that prisoners, both in custody and released on temporary license, cannot sign a contract of employment. As this cohort is not covered under the Alternative English apprenticeship arrangements, they are not eligible for funding (see paragraphs EP25 to EP28).

Apprentices who need access to learning support

New for 1 August 2021 – version 1

EP82 to EP91: Following consultation with provider representatives and other stakeholders, we have substantially amended this section.

EP82 Learning support funding is available to meet the costs of putting in place reasonable adjustments, as set out in section 20 of the [Equality Act 2010](#), for apprentices who:

EP82.1 have a learning difficulty or disability as defined in section 15ZA(6) of the [Education Act 1996](#) (as amended by section 41 of the Apprenticeships, Skills, Children and Learning Act 2009) and detailed below:

(6) For the purposes of this section a person has a learning difficulty [or disability] if—

(a) the person has a significantly greater difficulty in learning than the majority of persons of the same age, or

(b) the person has a disability which either prevents or hinders the person from making use of facilities of a kind generally provided by institutions providing education or training for persons who are over compulsory school age

EP82.2 and, as a result of this learning difficulty or disability, require reasonable adjustments in order to complete their apprenticeship, including any reasonable adjustments to complete English and maths requirements and end point assessment.

EP83 In relation to paragraph EP82 this can include apprentices who have not previously had a learning difficulty or disability identified, but in relation to whom the employer-provider has identified a learning difficulty or disability (as defined in

Section 15ZA(6) of the [Education Act 1996](#)) that would directly affect the apprentice's ability to complete their apprenticeship.

- EP84** Before a claim for learning support funding can be made, an assessment must be undertaken to identify whether an apprentice has a learning difficulty or disability that directly impacts their ability to complete the apprenticeship on which they are enrolled.
- EP85** Where the assessment identifies a need for reasonable adjustments to enable the apprentice to complete their apprenticeship, and where the provision of reasonable adjustments will incur costs to the employer-provider, this must be clearly evidenced and documented. This must include:
- EP85.1** documented evidence demonstrating the apprentice's learning difficulty or disability;
 - EP85.2** a documented assessment of how progress towards completion of the apprenticeship would be directly impacted without the reasonable adjustments being put in place;
 - EP85.3** details of the reasonable adjustments necessary to enable the apprentice to complete their apprenticeship; and
 - EP85.4** a documented and clear plan for delivering the reasonable adjustments throughout the apprenticeship. This must be agreed and signed-off by the apprentice.

All of this evidence must be in place, and the reasonable adjustments being delivered, in order to qualify for learning support funding for each month that it is claimed. Further details about the evidence requirements can be found in paragraph EP399.

- EP86** A learning difficulty or disability that does not require reasonable adjustments or cannot be evidenced as directly impacting on the apprentice's ability to complete their apprenticeship will not be eligible for learning support funding. Learning support is not available:
- EP86.1** to deal with everyday difficulties, which includes the definition as per Section 15ZA(7) of the [Education Act 1996](#), that are not directly associated with the apprenticeship. (If an apprentice needs help at work they may be able to get help from [Access to Work](#)).
 - EP86.2** to address any learning gaps in an apprentice's prior knowledge, skills or behaviours where these are relevant to their apprenticeship, but where there is no identified learning difficulty or disability in respect of obtaining this learning (see paragraph EP82).
 - EP86.3** where there are no costs incurred in putting in place reasonable adjustments.
- EP87** Once reasonable adjustments have been put in place for an apprentice with a learning difficulty or disability, you must:

- EP87.1** deliver the support to meet the reasonable adjustments and confirm the continuing necessity and appropriateness of these reasonable adjustments on a monthly basis;
- EP87.2** record and retain the appropriate evidence to demonstrate that the actions in paragraph EP87.1 have been completed, that the requirements for claiming learning support funding are met and that outcomes are recorded (as per paragraph EP399); and
- EP87.3** report in the ILR that the apprentice requires learning support along with the period for which this is required.

EP88 Learning support funding can only be claimed for each month in which reasonable adjustments are provided to the apprentice, and where evidence of costs can be provided. For months in which no reasonable adjustments are necessary, or no costs have been incurred, a claim for learning support funding must not be made.

EP89 Learning support funding is fixed at a monthly rate of £150. It will be paid in the months in which reasonable adjustments are necessary and delivered, where they are evidenced and where this has been reported in the ILR. If your costs exceed £150 per month, but are less than £19,000 per annum, you can claim the additional costs via the earnings adjustment statement (EAS). In claiming these additional costs, you must retain evidence of the reasonable adjustments being delivered and their associated costs. You can find further information on the [EAS](#) on GOV.UK.

EP90 You must promptly claim for learning support funding through the ILR and the EAS. We will not pay you for claims from a previous funding year if you do not claim on time. The deadline for claiming is by the last ILR collection for each funding year.

Monitoring

EP91 We will monitor the number of apprentices for whom providers claim learning support funding. We recognise that levels of learning support funding claims will vary between providers due to a range of factors. However, we reserve the right to examine and investigate claims made. Where it is appropriate to do so, we will take action where claims do not meet the eligibility criteria, where evidence is not provided or where the terms and conditions of apprenticeship funding are not being met. These terms and conditions are set out in these funding rules and the ESFA Provider Agreement.

Apprentices who need access to exceptional learning support (ELS)

EP92 Apprentices who need significant levels of support to start or continue learning can get access to exceptional learning support if their support costs more than £19,000 in a funding year.

EP93 You must submit ELS claims to us at the beginning of the apprentices programme, or when you identify the apprentice requires support costs of more than £19,000 in the funding year, by completing and sending the ELS claim form so we can authorise your request. You can access the [exceptional learning support cost](#) form on GOV.UK.

What can be funded?

Eligible costs

New for August 2021

EP97.1 - Clarification: To be clear that EPA costs must not be included in the TNP1 price on the ILR.

- EP94** Apprentices can only be enrolled against an apprenticeship standard once it is identified as 'approved for delivery' on the [Institute for Apprenticeships and Technical Education website](#). You must make sure that the apprenticeship is eligible to access public funds in the employer's apprenticeship service account or government-employer co-investment before the individual starts. The [hub](#) contains details of all eligible apprenticeships.
- EP95** New standards must have an EPAO in principle in place before public funding can be accessed for new apprentices. You must make sure that the apprenticeship is eligible before the individual starts by checking whether the standard has an EPAO in principle in place. It will be clear from ESFA and Institute systems to which standards this applies.
- EP96** Funds from your apprenticeship service account or government-employer co-investment must only be used for eligible costs directly related to the individual apprenticeship. These funds must only be used to pay for training and assessment, including end-point assessment, to complete an apprenticeship that is eligible for funding up to the limit of the funding band.
- EP97** For organisations that have been accepted onto the [Register of End-Point Assessment Organisations](#) eligible costs for end-point assessment (that can be included in field "TNP2" on the ILR) are set out in the [Conditions of Acceptance](#) document.
- EP97.1** You must not include the costs of end-point assessment in the TNP1 field on the ILR
- EP98** For employer-providers eligible costs for the delivery of training and on-programme assessment (that can be included in field "TNP1" on the ILR) are limited to the following:

Training

- EP98.1** Evidenced costs for employer-provider delivery or off-the-job training through a main or supporting provider. This can include:
- EP98.1.1** Some or all of the training aspects of a licence to practise or non-mandatory qualification. In both cases there must be a clear overlap between this training and the knowledge, skills and behaviours needed for the apprenticeship.

EP98.1.2 Self-directed distance learning (where it forms only part of the learning experience), interactive online learning (virtual classrooms) or blended learning relating to the off-the-job training element of an apprenticeship (see paragraph EP102.6).

EP98.1.3 Time spent by employees / managers supporting or mentoring apprentices. By this we mean the delivery of knowledge, skills and behaviours directly linked to the apprenticeship. The direct link must be documented as part of the off-the-job training evidence.

EP98.2 Additional learning and / or the cost to re-sit an exam linked to a mandatory qualification.

EP98.3 Additional learning required to re-take an end-point assessment.

Consumables

EP98.4 Materials (non-capital items) used in the delivery of the apprenticeship. By materials (non-capital items), we mean the equipment or supplies necessary to enable a particular learning activity to happen. This can include software licences where the licence cost is at apprentice level and the licence is required to access off-the-job training materials and can be evidenced as such. These items would not normally have a lifespan beyond the individual apprenticeship being funded.

EP98.5 Registration, examination and certification costs associated with mandatory qualifications, excluding any licence to practise (see paragraph EP102.9).

EP98.6 Accommodation costs for training delivered through residential modules where the residential training is a mandatory requirement for all apprentices. By mandatory, we mean that there is a specific requirement in the apprenticeship which would apply equally to any apprentice, regardless of their location, employer or main provider (including subcontractors).

EP98.7 Costs of an apprentice taking part in a skills competition if you have agreed that participation in the competition directly contributes to helping that individual achieve the apprenticeship.

Assessment

EP98.8 Regular planned on-programme assessments (progress reviews with the apprentice) to discuss progress to date against the commitment statement and the immediate next steps required.

EP98.9 Formative (ongoing) assessment costs associated with a mandatory qualification.

Administration

EP98.10 Any administration directly linked to training and assessment, including end-point assessment. This includes the costs relating to the tailoring of existing teaching materials for a particular cohort / apprentice / employer, lesson planning, the management of subcontractors, the processing of the ILR and quality assurance.

EP99 The costs of taking part in any of the above activities may be included in the total recorded price of training and end-point assessment.

EP99.1 It must be clear in the evidence pack if the total negotiated price changes and the reason for this change.

EP100 If the total price exceeds the maximum of the funding band, the total must be recorded on the ILR.

EP101 Any of the eligible costs outlined in paragraph EP98 can be bought in from a third party and we will fund them.

EP101.1 Where you buy in the delivery of apprenticeship training and / or on-programme assessment from a third party this is subcontracting and you must follow the subcontracting rules in paragraphs EP195 to EP246.

EP101.2 Funds from an employer's apprenticeship service account or government co-investment must not be used to fund other services from a third party.

Ineligible costs

EP102 For employer-providers and the delivery of training and on-programme assessment, ineligible costs include the following:

EP102.1 Enrolment, employer-provider (or subcontractor) induction, initial assessment, initial diagnostic testing, or similar activity.

EP102.2 Travel costs for apprentices under any circumstances.

EP102.3 Apprentice wages.

EP102.4 Personal protective clothing and safety equipment required by the apprentice to carry out their day-to-day work.

EP102.5 Development of original teaching materials related to the delivery of a new apprenticeship offer. By this we mean the first time a provider chooses to deliver a new apprenticeship standard.

EP102.6 Off-the-job training delivered only by self-directed distance learning.

EP102.7 Any training, optional modules, educational trips or trips to professional events in excess of those required to achieve the apprenticeship. This includes training solely and specifically required for a licence to practise.

- EP102.8** Any fees to third parties associated with a licence to practise. This includes registration, examination and certification costs. This applies even where a licence to practise is specified in the apprenticeship standard and assessment plan.
- EP102.9** Any fees to awarding bodies for non-mandatory qualifications (qualifications that are not specifically listed in the standard). This includes registration, examination and certification costs.
- EP102.10** Student membership fees that are required by professional bodies, even where linked to mandatory qualifications.
- EP102.11** End-point assessment costs incurred by you. These must be included in the price negotiated between you and the end-point assessment organisation.
- EP102.12** English and maths up to level 2 (this is funded separately).
- EP102.13** Repeating the same regulated qualification where the apprentice has previously achieved it, unless it is a requirement of the apprenticeship or for any GCSE where the apprentice has not achieved grade C, or 4, or higher.
- EP102.14** Accommodation costs where the apprentice is resident away from their home base, because of the requirements of their day-to-day work or because this is convenient for the employer-provider (or subcontractor). Residential costs associated with non-mandatory learning, including qualifications and outward-bound activities, are also excluded.
- EP102.15** Capital purchases including lease agreements. Capital purchases are long-term assets that would have a lifespan beyond the apprenticeship being funded, such as land, buildings, machinery and ICT equipment (e.g. tablets and similar electronic devices).
- EP102.16** Maintenance of capital purchases. This includes vehicle parts and labour, insurance and MOT.
- EP102.17** Time spent by employees / managers supporting or mentoring apprentices, where this is not delivering training required as part of the apprenticeship (e.g. generic line management responsibilities).
- EP102.18** Specific services not related to the delivery and administration of the apprenticeship. This includes the recruitment and continuing professional development of staff involved in apprenticeships, company inductions, managing agents, brokers / referral services (sourcing employer / learner leads)) and the costs of memberships or other costs paid to employers, or their representatives, associated with procurement registers or opportunities to secure business.
- EP103** You must not seek or pay inducements, or any other payment not authorised by us, to another training provider or to an end-point assessment organisation in relation to any part of the apprenticeship programme.

Additional payments

EP104 You will receive a payment towards the additional cost associated with training if, at the start of the apprenticeship, the apprentice is:

EP104.1 aged between 16 and 18 years old (or 15 years of age if the apprentice's 16th birthday is between the last Friday of June and 31 August); or

EP104.2 aged between 19 and 24 years old and has either an Education, Health and Care (EHC) plan provided by their local authority or has been in the care of their local authority as defined in paragraph EP106.

EP105 The apprentice will be eligible for a payment if they have been in the care of the local authority as defined in paragraph EP106. See from paragraphs EP153 to EP158 for more information on the care leaver's bursary.

EP106 A child in care is defined as

EP106.1 an eligible child - a young person who is 16 or 17 and who has been looked after by the UK local authority / health and social care trust for at least a period of 13 weeks since the age of 14, and who is still looked after;

EP106.2 a relevant child - a young person who is 16 or 17 who has left care within the UK after their 16th birthday and before leaving care was an eligible child; or

EP106.3 a former relevant child - a young person who is aged between 18 and 21 (up to their 25th birthday if they are in education or training) who, before turning 18, was either an eligible or a relevant child.

EP107 Before you claim and are paid any additional payments, you must have evidence that you are eligible for them in respect of each apprentice. You must check this and keep evidence in the evidence pack. You must then report the appropriate code in the ILR.

EP108 Where these payments are for apprentices aged between 19 and 24 years old at the start of their apprenticeship (see paragraph EP104.2), you must include consent from the apprentice and confirmation that they have an EHC plan or that they have been in the care of their local authority and either:

EP108.1 a signed email or letter confirmation from a local authority appointed Personal Advisor to confirm they are a care leaver; or

EP108.2 evidence of an EHC plan.

EP109 These payments will be paid as follows:

EP109.1 90 days after the apprentice starts, 50% will be paid if the apprentice is still undertaking their apprenticeship; and

EP109.2 365 days after the apprentice starts, the remaining 50% will be paid if the apprentice is still undertaking their apprenticeship.

EP110 Employer-providers can receive both employer and main provider payments if they meet the eligibility criteria.

EP111 We will monitor take-up of additional payments to identify any potential fraud or irregularity.

Incentive payments for hiring a new apprentice from 1 April 2021 to 30 September 2021

New for 1 August 2021

We have removed the text relating to incentive payments for hiring a new apprentice from 1 August 2020 to 31 May 2021 as these no longer apply.

EP126 - New rule: To reflect that where you apply for an incentive payment in the same month as being eligible to be paid an instalment, you must apply by the 15th day of the month. Where you claim after this date, payment of your instalment will be delayed by a month to allow for necessary payment checks.

New for 1 August 2021 – version 1

EP120 - Clarification: To confirm that it is the employer's responsibility to claim the incentive payment on the apprenticeship service for each eligible apprentice.

EP126 - Clarification: To reflect that where you apply for an incentive payment in the same month as being eligible to be paid an instalment, payment of your instalment may be delayed to allow for necessary payment checks.

EP112 From 1 April 2021, you will be eligible to receive an incentive payment for hiring a new apprentice if at the start of the apprenticeship, the apprentice is a new employee. When making a claim through the apprenticeship service, you must declare that they are a new employee and, are eligible in accordance with the funding rules. This will include entering the apprentice's employment start date.

EP113 That apprentice must (subject to paragraphs EP115 and EP116):

EP113.1 have a contract of employment with you, containing a start date between 1 April 2021 and 30 September 2021 (inclusive);

EP113.2 not have had a contract of employment with you (or connected company or charity – see paragraph EP115) within the six months up to but not including 1 April 2021; and

EP113.3 have an apprenticeship agreement containing a practical period start date between 1 April 2021 and 30 November 2021 inclusive (subject to paragraph EP118 regarding redundant apprentices). The apprenticeship agreement can be the same as the contract of employment. The practical period start date is recorded in the apprenticeship agreement and supplied by your training provider when they submit data about the apprenticeship.

- EP114** The rule at EP113.2 does not apply where the apprentice was employed by you under the Kickstart Scheme and is progressing from that scheme onto the apprenticeship.
- EP115** The contract and / or agreement referred to in paragraph EP113, may be with a person other than you where the apprentice is employed by a company or charity connected to you (as defined by HMRC) and for whom you are using funds from your apprenticeship account or employer-government co-investment (see paragraph EP69).
- EP116** Where the apprentice is working under an alternative English apprenticeship and is holding office as a minister or a trainee minister of a religious denomination, or as a constable of a police force in England; the arrangements under which they are conducting that alternative English apprenticeship must contain a start date between 1 April 2021 and 30 September 2021 (inclusive).
- EP117** We will only pay one incentive payment for hiring a new apprentice per individual apprentice, across all employers (or those with whom the apprentices mentioned in paragraph EP115 have made their arrangements) and both eligibility periods of the incentive.
- EP118** Where the apprentice for whom you are claiming incentive payments for hiring a new apprentice has previously been made redundant from an apprenticeship with another employer who has not claimed the incentive payment for hiring a new apprentice, that apprentice must:
- EP118.1** have a contract of employment with you (or an apprenticeship agreement if they are the same thing), or the connected company or charity (see paragraph EP115), containing a start date between 1 April 2021 and 30 September 2021 (inclusive); and
 - EP118.2** be able to continue their apprenticeship with you (see redundancy rules in paragraph EP27).
- EP119** Incentive payments for hiring a new apprentice are £3000 per apprentice for apprentices of all ages.
- EP120** To receive an incentive payment for hiring a new apprentice, you (as the employer) must use the apprenticeship service to:
- EP120.1** access funding for the apprentice's training and assessment; and
 - EP120.2** claim the incentive payment for each eligible apprentice which will be paid to you directly.
- EP121** You must claim by the end of November 2021 any incentive payments for hiring a new apprentice for apprentices with a contract of employment start date between 1 April 2021 and 30 September 2021 inclusive and an apprenticeship practical period start date between 1 April 2021 and 30 November 2021 inclusive.
- EP122** Where you are required to reserve funds on the apprenticeship service, you must do so to fund the training and assessment for each apprentice for whom

you wish to claim an incentive payment for hiring a new apprentice. Therefore, the number of incentive payments you may claim is subject to the reservations available to you. More information on reservation of funds can be found in paragraphs EP274 to EP288 and [Apprenticeship funding in England](#).

- EP123** If you are a receiving employer using transferred funds to pay for the apprenticeship training and assessment for an eligible apprentice, you may claim an incentive payment for hiring a new apprentice.
- EP124** Employers will be eligible for incentive payments for hiring a new apprentice as follows:
- EP124.1** 90 days after the apprenticeship start date, the employer will be eligible for 50% of the incentive payments for hiring a new apprentice if the apprentice is still employed by them and undertaking their apprenticeship (in learning as evidenced by the ILR); and
 - EP124.2** 365 days after the apprenticeship start date, the employer will be eligible for the remaining 50% if the apprentice is still employed by them and undertaking their apprenticeship (in learning as evidenced by the ILR).
- EP125** Before payments are made to employers, claims will be validated against data provided to us by the training provider through the ILR. If this data shows that an apprentice is ineligible, or data has not been provided to validate the claim, payment will not be made.
- EP126** Where you apply for an incentive payment in the same month as being eligible to be paid an instalment, payment of your instalment may be delayed by a month to allow for necessary payment checks.
- EP127** Where an employer has already received one instalment of the payment and the apprentice subsequently changes employer, neither the original employer nor the new employer may receive the remaining balance.
- EP128** If an apprentice is employed by more than one employer simultaneously, only one of the employers may make a claim for the incentive payment for hiring a new apprentice.
- EP129** Before you claim and are paid any incentive payments for hiring a new apprentice, you must have evidence that you are eligible for the payment for each apprentice and provide this to us if requested.
- EP130** We will monitor take-up of incentive payments for hiring a new apprentice to identify and challenge any potential fraud or irregularity.
- EP131** We reserve the right to take action including to stop or recover all or part of the incentive payments for hiring a new apprentice from you if we are satisfied that there has been a breach of the funding rules.

Incentive payments for hiring a new apprentice from 1 October 2021 to 31 January 2022

New for November 2021 – version 2

EP132 to EP152 – New rules: From 1 October 2021, you will be eligible to receive an incentive payment for hiring a new apprentice, if at the start of the apprenticeship, the apprentice is a new employee. From 11 January 2022, you will be able to use the apprenticeship service to apply for incentive payments for apprentices with an employment start date between 1 October 2021 and 31 January 2022. When making a claim through the apprenticeship service, you must declare that the apprentice is a new employee and, is eligible in accordance with the funding rules. This will include entering the apprentice's employment start date.

EP132 From 1 October 2021, you will be eligible to receive an incentive payment for hiring a new apprentice if at the start of the apprenticeship, the apprentice is a new employee. When making a claim through the apprenticeship service, you must declare that they are a new employee and, are eligible in accordance with the funding rules. This will include entering the apprentice's employment start date.

EP133 That apprentice must (subject to paragraphs EP135 and [EP136](#)):

EP133.1 have a contract of employment with you, containing a start date between 1 October 2021 and 31 January 2022 (inclusive);

EP133.2 not have had a contract of employment with you (or connected company or charity – see paragraph EP135) within the six months up to but not including 1 October 2021; and

EP133.3 have an apprenticeship agreement containing a practical period start date between 1 October 2021 and 31 March 2022 inclusive (subject to paragraph EP138 regarding redundant apprentices). The apprenticeship agreement can be the same as the contract of employment. The practical period start date is recorded in the apprenticeship agreement and supplied by you when you submit data about the apprenticeship.

EP134 The rule at EP133.2 does not apply where the apprentice was employed by you under the [Kickstart Scheme](#) and is progressing from that scheme onto the apprenticeship.

EP135 The contract and / or agreement referred to in paragraph EP133, may be with a person other than you where the apprentice is employed by a company or charity [connected](#) to you (as defined by HMRC) and for whom you are using funds from your apprenticeship account or employer-government co-investment (see paragraph EP69).

- EP136** Where the apprentice is working under an alternative English apprenticeship and is holding office as a minister or a trainee minister of a religious denomination, or as a constable of a police force in England; the arrangements under which they are conducting that alternative English apprenticeship must contain a start date between 1 October 2021 and 31 January 2022 (inclusive).
- EP137** We will only pay one incentive payment for hiring a new apprentice per individual apprentice, across all employers (or those with whom the apprentices mentioned in paragraph EP135 have made their arrangements) and all eligibility periods of the incentive.
- EP138** Where the apprentice for whom you are claiming incentive payments for hiring a new apprentice has previously been made redundant from an apprenticeship with another employer who has not claimed the incentive payment for hiring a new apprentice, that apprentice must:
- EP138.1** have a contract of employment with you (or an apprenticeship agreement if they are the same thing), or the connected company or charity (see paragraph EP135), containing a start date between 1 October 2021 and 31 January 2022 (inclusive); and
 - EP138.2** be able to continue their apprenticeship with you (see redundancy rules in paragraph EP27).
- EP139** Incentive payments for hiring a new apprentice are £3000 per apprentice for apprentices of all ages.
- EP140** To receive an incentive payment for hiring a new apprentice, you (as the employer) must use the apprenticeship service to:
- EP140.1** access funding for the apprentice's training and assessment; and
 - EP140.2** claim the incentive payment for each eligible apprentice which will be paid to you directly.
- EP141** You can use the apprenticeship service to claim incentive payments for hiring a new apprentice for apprentices who have a contract of employment with you containing an employment start date between 1 October 2021 and 31 January 2022, from 11 January 2022.
- EP142** You must claim by 15 May 2022 any incentive payments for hiring a new apprentice for apprentices with a contract of employment start date between 1 October 2021 and 31 January 2022 inclusive and an apprenticeship practical period start date between 1 October 2021 and 31 March 2022 inclusive.
- EP143** Where you are required to reserve funds on the apprenticeship service, you must do so to fund the training and assessment for each apprentice for whom you wish to claim an incentive payment for hiring a new apprentice. Therefore, the number of incentive payments you may claim is subject to the reservations available to you. More information on reservation of funds can be found in paragraphs EP275 to EP288 and [Apprenticeship funding in England](#).

- EP144** If you are a receiving employer using transferred funds to pay for the apprenticeship training and assessment for an eligible apprentice, you may claim an incentive payment for hiring a new apprentice.
- EP145** Employers will be eligible for incentive payments for hiring a new apprentice as follows:
- EP145.1** 90 days after the apprenticeship start date, the employer will be eligible for 50% of the incentive payments for hiring a new apprentice if the apprentice is still employed by them and undertaking their apprenticeship (in learning as evidenced by the ILR); and
 - EP145.2** 365 days after the apprenticeship start date, the employer will be eligible for the remaining 50% if the apprentice is still employed by them and undertaking their apprenticeship (in learning as evidenced by the ILR).
- EP146** Before payments are made to employers, claims will be validated against data provided to us by you through the ILR. If this data shows that an apprentice is ineligible, or data has not been provided to validate the claim, payment will not be made.
- EP147** Where you apply for an incentive payment in the same month as being eligible to be paid an instalment, payment of your instalment may be delayed by a month to allow for necessary payment checks.
- EP148** Where an employer has already received one instalment of the payment and the apprentice subsequently changes employer, neither the original employer nor the new employer may receive the remaining balance.
- EP149** If an apprentice is employed by more than one employer simultaneously, only one of the employers may make a claim for the incentive payment for hiring a new apprentice.
- EP150** Before you claim and are paid any incentive payments for hiring a new apprentice, you must have evidence that you are eligible for the payment for each apprentice and provide this to us if requested.
- EP151** We will monitor take-up of incentive payments for hiring a new apprentice to identify and challenge any potential fraud or irregularity.
- EP152** We reserve the right to take action including to stop or recover all or part of the incentive payments for hiring a new apprentice from you if we are satisfied that there has been a breach of the funding rules.

Care leavers bursary

- EP153** Apprentices are eligible to receive a £1,000 payment if they have been in the care of a UK local authority as defined in paragraph EP106.
- EP154** You must have evidence that the apprentice is eligible for this payment before you claim or are funded for any associated additional payments for you or the employer.

This must be a signed email or letter from a local authority appointed Personal Advisor confirming that the apprentice is a care leaver.

- EP155** You must tell the apprentice that they are eligible for the bursary as a care leaver and give them the opportunity to declare that they would like to access the funding. This signed declaration must allow the apprentice to confirm that they;
- EP155.1** Understand that they are eligible for and would like to receive a bursary as a care leaver.
 - EP155.2** Understand that if they have been found to have accepted the payment incorrectly or if they are ineligible then the government will require it to be repaid.
 - EP155.3** Have not been paid a care leavers bursary before. This only includes the care leavers bursary paid to providers by the ESFA; other local incentives do not apply.
- EP156** This is a one-off payment. An eligible apprentice must only receive this payment once. An individual must not receive this funding again if they progress to, or start, another apprenticeship. It is your responsibility to ensure that the apprentice has not received this payment previously. We will also monitor this to ensure that the apprentice receives this payment only once and may reclaim duplicate payments.
- EP157** The bursary payment, due to the apprentice, will be generated 60 days after they start. You must pass this on in full to the apprentice within 30 days of receiving this funding from the ESFA.
- EP158** Once paid, you must evidence that the apprentice has received the bursary payment. This must be a signed confirmation from the apprentice and not a receipt of transaction.

Extra support for small employers

- EP159** Additional exceptions to these rules apply if you employ fewer than 50 people. You can find further information in the [Apprenticeship funding rules for main providers](#), August 2021 to July 2022.

Support for English and maths training

New for 1 August 2021

EP161.1 and **EP161.2** - Restructure and clarification: To reflect that these rules apply to all apprentices.

EP175.1 - Restructure, and clarification on self-assessment.

New for 1 August 2021 – version 1

Temporary suspension of the requirement for level 2 apprentices to work towards and attempt level 2 functional skills.

The rule requiring level 2 apprentices to study towards, and attempt, the functional skills assessment at level 2 is temporarily suspended. Apprentices who are due to take their EPA on or before 31 December 2021 must be passed through gateway to sit their EPA without the need to attempt the level 2 functional skills English and maths assessment. Providers must retain evidence if an apprentice did not take the level 2 assessments due to coronavirus (COVID-19). For apprentices on a standard, this means they must be at gateway on or before 31 December 2021. For apprentices on a framework, they must have achieved all of the requirements of the framework by 31 December 2021. For all other apprentices, providers must plan and deliver level 2 English and maths in accordance with rules EP163 to EP168.

EP168 - Clarification: To confirm the requirements for level 3 and above apprenticeships where a level 2 qualification in English and maths is required, and the apprentice does not already hold the acceptable qualifications.

EP160 English and maths are essential to supporting longer-term career prospects. This is why all apprentices must be supported to gain these essential skills and secure recognised qualifications.

Achievement levels

EP161 As part of our ambition for a world-class technical education system and in line with recommendations from independent experts, progression towards and attainment of, approved level 2 English and maths qualifications is an important part of the apprenticeship programme. For those undertaking a level 3 or higher apprenticeship, it is a requirement that they hold or achieve an approved level 2 in both subjects before they can successfully complete the apprenticeship.

EP161.1 **For apprentices at all levels with formally recognised special educational needs**, learning difficulties or disabilities, who struggle to achieve the regular English and / or maths minimum requirement due to the nature of their difficulty or disability, we will accept achievement of entry level 3 functional skills in English and / or maths (see paragraphs EP175 to EP181 below); and

EP161.2 You must make every effort to enable apprentices with special educational needs, learning difficulties or disabilities to achieve the minimum English and maths requirements of the specific apprenticeship

(as set out in paragraphs EP161 to EP174). This includes appropriate use of access arrangements, reasonable adjustments and other approved qualifications that are detailed in the [ESFA list of qualifications approved for funding](#).

EP162 For apprentices undertaking a level 2 apprenticeship:

EP162.1 We want as many apprentices as possible to achieve level 2 English and maths. We require all apprentices to achieve level 1 (where they have not already) and work towards this standard and to take the assessments for the achievement of approved level 2 qualifications in these subjects.

What we will fund

EP163 We will fund an apprentice to achieve up to an approved level 2 qualification in English and maths where they do not already hold a suitable equivalent qualification. Acceptable equivalents are set out in a published list on GOV.UK called '[Acceptable Current and Prior Equivalent Qualifications for English and Maths Minimum Requirements in Apprenticeship Standards at Level 2 and Above](#)'.

EP164 The ESFA will pay you for this at the single rate set by us for each eligible qualification undertaken. It will not be deducted from the employer's apprenticeship service account or require employer co-investment.

EP165 You can claim funding for apprentices who have not previously attained a GCSE grade A* to C (or 9 to 4) in English or maths (or both) on the day they start the following qualifications:

EP165.1 GCSE English language or maths (or both); or

EP165.2 Functional skills English or maths at level 2 (or both).

EP166 For level 2 apprenticeships, where a level 2 qualification in English or maths is not required for the apprenticeship and the apprentice does not already hold the acceptable qualifications for their standard, then you must adopt the following approach and can claim funding for an apprentice in the following scenarios:

EP166.1 **Where the apprentice holds neither level 1 nor level 2 approved qualifications and is judged by you to be working below level 1 standard in English / maths:**

Apprentices must study towards and achieve English and maths qualifications of at least level 1 (functional skills level 1 or GCSE grade E or 2), and start, study towards and take the assessments for level 2 qualifications in these subjects. The apprentice is not required to achieve level 2 qualifications in order to successfully complete their apprenticeship. These requirements must be fulfilled before the apprentice takes the end-point assessment.

You must also ensure that any level 1 training and assessments are taken at an early enough stage in the apprenticeship to allow sufficient

time for an apprentice to study towards and take the assessments for the level 2 qualification, after a level 1 has been achieved..

EP166.2 Where the apprentice does not already hold approved level 1 qualifications, but is judged by the main provider to be working at level 1 standard in English / maths:

Apprentices must start, continue to study and take the assessment for level 2 English and maths (functional skills level 2 or GCSE). If they do not achieve a level 2, you must then ensure they take the assessment for level 1 English and / or maths – this is because they must secure the level 1 qualification in order to complete their apprenticeship.

You must ensure that any level 2 training and assessments are taken at an early enough stage in the apprenticeship to allow time for the apprentice to take the level 1 assessment if they first do not achieve the level 2. In this scenario we will not fund costs for level 1 training and assessment. These requirements must be fulfilled before the apprentice takes the end-point assessment.

EP166.3 Where the apprentice already holds approved level 1 qualifications:

Apprentices must start, continue to study and take the assessments for a level 2 English and / or maths (functional skills level 2 or GCSE). This requirement must be fulfilled before the apprentice takes the end-point assessment.

EP167 We will fund functional skills English and / or maths at level 1 or below where you (or a subcontractor) has conducted an initial assessment that shows the apprentice needs to study at a lower level before being able to achieve their level 2. The apprentice must be judged to be below level 1 to be funded for a level 1 qualification.

EP168 For level 3 and above apprenticeships where a level 2 qualification in English and maths is required, and the apprentice does not already hold the acceptable qualifications, we will fund the apprentice to achieve the qualification. The apprentice must commence tuition at the English and maths level immediately above the level at which they have been assessed at the start of their apprenticeship programme. In instances where this starting level is lower than the exit requirements, progression through the appropriate English and maths levels (as required in the apprenticeship standard) must be achieved.

EP169 In exceptional circumstances, we will fund:

EP169.1 re-takes of English and / or maths qualifications where apprentices receive further teaching to achieve the required English and / or maths functional skills qualification; and

EP169.2 [other approved qualifications](#) (including components, where applicable) where an apprentice will need significant, additional numeracy and literacy support that is not met through immediate entry onto a GCSE or functional skills course.

- EP170** If the apprentice is made redundant, they are allowed to continue with their English and / or maths up to and including level 2. You can continue to claim funds at the published apprenticeship English and maths rates.
- EP171** You must not claim funding from the adult education budget for English and / or maths undertaken by an apprentice.
- EP172** Any English and / or maths requirements for the achievement of an apprenticeship standard not set out above must be funded from an employer's apprenticeship service account or through government-employer co-investment.
- EP173** You must provide verifiable evidence of the apprentice's achievement in English and / or maths. Providers must do this as soon as possible, and before the gateway to end-point assessment. Guidance for obtaining acceptable evidence is provided in the evidence pack.

Judgement of an apprentice's current level

- EP174** If an apprentice does not have acceptable evidence of previous attainment of English and / or maths you must carry out a judgement of their current level. You must use current assessment tools based on the national literacy and numeracy standards and core curriculum or [DFE published English and maths functional skills subject content](#) .

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

- EP175** Individuals must be considered on a case-by-case basis and must satisfy all of the following conditions:
 - EP175.1** The apprentice has either an existing or previously issued education, health and care (EHC) plan, a statement of special educational need (SEN) or a learning difficulty assessment (LDA). Self-declaration of a learning difficulty or a disability is insufficient .
 - EP175.2** You expect the apprentice to achieve all other aspects of the apprenticeship requirements, become occupationally competent and achieve entry level 3 functional skills in the adjusted subject(s) before the end of their apprenticeship.
 - EP175.3** You hold or have conducted an evidenced judgement demonstrating that even with support, reasonable adjustments and stepping stone qualifications, the apprentice, will not be able to achieve English and / or maths to the minimum level within the timeframe projected for them to complete all the occupational elements.
- EP176** Depending on the apprentice's individual circumstances and outcome of your judgement, this exception may apply to either English and maths (or both). If the exception applies to only one subject, the regular requirements for the non-adjusted subject will apply.
- EP177** Although the apprentice will be exempt from the regular English and / or maths minimum requirements, you must plan and evidence how the apprentice will access

further literacy and numeracy development, including level 1 and level 2 courses, as part of their overall training provision, if appropriate.

EP178 The assessment must be formal and structured and conducted by an appropriate professional associated with you (or a subcontractor), such as the head of SEN or student support. The assessment must be conducted within eight weeks of an apprentice beginning their apprenticeship and must include:

EP178.1 judgement of the apprentice's current English and maths ability;

EP178.2 information on how the learning difficulty or disability affects the apprentice's English and maths abilities and a clear indication of whether one or both English and maths are affected;

EP178.3 judgement of the apprentice's ability to meet the regular English and maths requirements even with appropriate support in place;

EP178.4 creation of a recommended learning plan to enable the apprentice to achieve entry-level 3 functional skills in the adjusted subject(s) and, where appropriate, to continue to build on their literacy and numeracy skills by accessing further courses; and

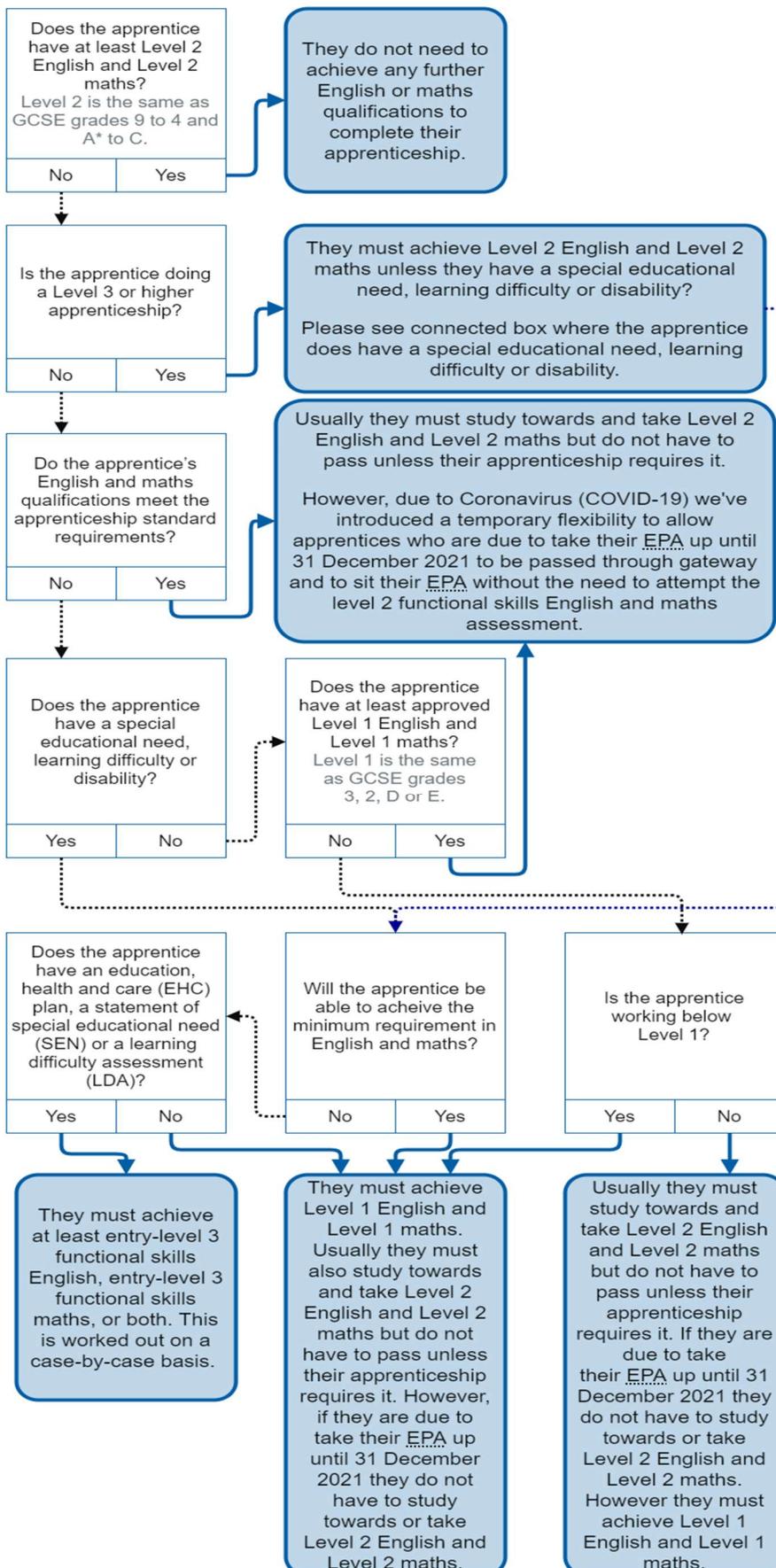
EP178.5 copies of an education, health and care (EHC) plan, a statement of special educational need (SEN) or a learning difficulty assessment (LDA).

EP179 You must retain all elements of the judgement in the evidence pack.

EP180 If the apprentice disagrees with the judgement outcome, you must provide a facility for the apprentice to request a second opinion. You must ensure that a second SEN professional independently reviews the outcome. You may determine the format of the review process.

EP181 Where the apprentice needs to change to entry level 3 for English and / or maths due to their disability or learning difficulty the main provider must record this in the ILR as a change in the usual way.

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



End-point assessments

New for 1 August 2021

Clarification: To remove reference to the Functional Skills Qualifications temporary flexibilities which have now ended.

EP185 - New rule: To reflect that dialogue with the end-point assessment organisation must commence at least 6 months before the planned end date of the apprenticeship.

EP187 - New rule: To reflect that the employer must both select and negotiate the price with the EPAO at least 6 months before the apprentice reaches the gateway.

EP182 End-point assessment is a holistic and independent assessment of the knowledge, skills and behaviours which have been learnt throughout an apprenticeship standard. The requirements for end-point assessment are set out in the assessment plan for each specific standard.

EP183 Apprentices will not be able to achieve an apprenticeship standard without satisfying all the requirements of its assessment plan, including the end-point assessment.

EP184 An apprentice can only take the end-point assessment once they have:

EP184.1 met the minimum duration of the apprenticeship (see paragraph EP35). You must ensure that the entire duration of the apprenticeship standard for both training and end-point assessment is a minimum of 372 days to be eligible for funding;

EP184.2 satisfied the gateway requirements set out in its assessment plan (including any specific duration criteria); and

EP184.3 you, as their employer, are content they have attained sufficient knowledge, skills and behaviours to successfully complete the apprenticeship. In the case of an apprentice being made redundant, where we are funding the apprenticeship to completion, you or any new main provider responsible for the completion of the apprentices training (if the apprentice transfers) can act as a proxy employer for the purposes of providing any required employer competency statement (see paragraph EP186).

EP185 You must ensure that the apprentice is prepared and understands the end-point assessment process. Engaging the end point assessment organisation can be done at any time, but to ensure timely delivery of the end-point assessment the dialogue must commence at least 6 months before the planned end date of the apprenticeship. As part of this process all information required for the end-point assessment must be ready to present to the end-point-assessment-organisation for the gateway.

EP186 The apprentice must be employed until the end-point assessment is completed. The only exception is where the apprentice has been made redundant and we are funding the apprenticeship to completion. Consideration must be given to the

potential time needed for any re-sit and / or re-training prior to re-taking the end-point assessment so the apprentice remains employed during this time.

EP187 At least 6 months before the apprentice reaches the gateway you must have:

EP187.1 selected an organisation from the [Register of End-Point Assessment Organisations](#) (RoEPAO) to deliver the end-point assessment;

EP187.2 negotiated a price with the end-point assessment organisation. Only those organisations listed on the RoEPAO will be eligible to be funded.

EP188 You are required to complete the ILR field for the assessment price and end point assessment organisation identifier as soon as the price and end point assessment organisation is agreed. These fields must not be completed prior to this.

EP189 Although you will be involved in arrangements for end-point assessment, the assessment itself must be independent (EP190). Some assessment plans give the employer-provider specific roles but, with the exception of integrated standards, those who have delivered the training cannot make an end-point assessment judgement for that same group of apprentices.

EP190 The end-point assessment organisation for an integrated degree standard may also be the training provider, although to remain independent the assessment must be conducted by someone who has not been involved in the delivery of the apprenticeship.

EP191 It is your responsibility to select the end-point assessment organisation and negotiate the price within the funding band for assessment. You must contract with the end-point assessment organisation that you have selected and make payment to them for conducting the end-point assessment. You must lead the relationship with the end-point assessment organisation including where you subcontract the delivery of apprenticeship training. The written agreement must set out the arrangements for sharing relevant information about the apprentice so end-point assessment and certification can take place, including arrangements for any re-takes and payments. This must also include arrangements for a change of circumstances, which may delay, or lead to the cancellation of, the end-point assessment.

EP192 You must ensure that the costs that you claim for the apprenticeship include the amount needed to pay for the end-point assessment. This includes any cost of external quality assurance of the end-point assessment. Costs for external quality assurance will depend on the body undertaking it. You must ensure that you engage actively with any request for information from the external body, where applicable.

EP193 Eligible costs for end-point assessment organisations are set out in the [Conditions of Acceptance](#) document for organisations on the RoEPAO.

EP194 We expect that the cost of end-point assessment will not usually exceed 20% of the funding band maximum. This does not mean that end-point assessment must cost 20%; the cost that individual employers will pay for assessment varies between standards and we expect employers to negotiate with assessment organisations to secure value for money. Where the total negotiated price is

higher than the funding band maximum the difference must be paid by you as the employer.

Contracting and subcontracting

New for 1 August 2021

EP196 - Clarification: Further clarification on what is meant by “the employer’s apprenticeship programme” and additional examples of what would constitute a “token amount” are provided.

EP199 - Clarification: Additional information relating to the Public Contracts Regulations 2015 is provided.

EP200 - New rule: To be clear that artificial distinctions or convoluted delivery arrangements must not be used to avoid the application of the subcontracting rules.

EP201 - New rule: To be clear subcontracting must not be used to meet short-term funding objectives.

EP202 - New rule: To be clear on the rationale for subcontracting (currently a funding rule for main providers, this is expanded to now include employer-providers).

EP203 - New rule: That the ESFA will reserve the right to require an explanation where the funding you have retained as your management fee for a subcontract exceeds 20% of the overall contract but offers little value.

EP206 - New rule: That delivery subcontractors must not be used without the appropriate knowledge, skills, and experience of contracting with, and managing, delivery subcontractors.

EP211 - New rule: To be clear that learners supported through subcontracting should fully understand the roles and responsibilities of the various parties.

EP212 - New rule: To be clear who is responsible for the actions of subcontractors including who is responsible for making alternative delivery arrangements, protecting the audit trail, and / or repaying ESFA when a subcontractor fails to deliver.

EP214 - New rule: To be clear who is responsible for ensuring safeguarding is rigorously enforced in subcontracting arrangements.

EP215 - New rule: To be clear that it is not acceptable for any staff member with a direct or indirect financial interest in a subcontractor to undertake any management control activities of that subcontractor.

EP218 - New rule: To outline responsibilities in relation to the Prevent duty.

EP220 - New rule: That an employer-provider must not enter into any agreement for brokerage.

EP221 - Clarification: To be clear that the written contract with a subcontractor must be in place before any delivery takes place.

EP222 to EP232 - New rules and clarifications: The section has been updated to be clear on

what, as a minimum, must be included within the contract with the delivery subcontractor.

EP211 to EP215 - New section: To outline the subcontracting threshold and exemption cases process.

EP216 to EP220 - New section: To summarise all of the rules relating to subcontracting reporting and external audit requirements.

EP221 - New rule: To change the relevant dates to from a financial year to an academic year, to align with the subcontractor declaration.

EP205.3 - New rule: A temporary exception to the Register of Apprenticeship Training Providers (RoATP) requirements for supporting providers (subcontractors) is being introduced to ease capacity challenges for training providers. This flexibility will enable providers and specialist organisations delivering specific provision to receive funding without the need to join RoATP. This exception will only apply when a need has been identified and will be limited by parameters set by DfE. Providers will need to submit an application to DfE and obtain written permission. All enquiries relating to this process can be directed to RoATPSubcontracting.Exceptions@education.gov.uk.

Employer-providers directly delivering training or on-programme assessment

EP195 Funding for all elements of each apprenticeship will be routed through you, the employer-provider. This includes funding for English and maths.

EP196 You must directly deliver some of the apprenticeship training and / or on-programme assessment associated with each employer's apprenticeship programme. By apprenticeship programme we mean all of the apprentices that you have been contracted to deliver training to, on behalf of any one employer, irrespective of occupational area, standard or level. The volume of training and / or on programme assessment that you directly deliver must have some substance and must not be a token amount to satisfy this rule. It must not be limited to a brief input at the start of each employer's programme or involve delivery to just a few of a large number of apprentices. It does not include simply delivering maths and English or aspects of the apprenticeship which all apprentices must have, such as safeguarding, British values, or target setting.

EP197 You can find further information in the document [Using Subcontractors in the Delivery of Apprenticeships](#).

EP198 Employer-providers must evidence the actual costs of delivery of apprenticeship training and on-programme assessment (see paragraphs EP248 to EP258).

Using subcontractors

EP199 You must ensure that you comply with current and relevant procurement regulations. If you are a contracting authority, this means that you must comply with the Public Contracts Regulations 2015 ("the 2015 Regulations"). You must ensure that you select

your subcontractor(s) fairly, transparently and without discrimination and that you ensure that potential subcontractors have sufficient capacity, quality and business standing to deliver the provision that is being subcontracted.

- EP200** You must not make artificial distinctions or put in place convoluted delivery arrangements in order to avoid the application of these rules. For example, describing the arrangement as a partnership or collaborative arrangement.
- EP201** You must be clear about the educational rationale for your subcontracting position, which must enhance the quality of your learner offer. You must not subcontract to meet short-term funding objectives.
- EP202** We expect the rationale to meet one or more of the following aims:
- EP202.1** enhance the opportunities available for individuals
 - EP202.2** fill gaps in niche or expert provision or provide better access to training facilities.
 - EP202.3** support better geographical access for learners.
 - EP202.4** offer an entry point for disadvantaged groups.
 - EP202.5** give consideration of the impact on individuals with shared protected characteristics, where there might otherwise be gaps.
- EP203** The ESFA will reserve the right to require an explanation where the funding you have retained as your management fee for a subcontract exceeds 20% of the overall contract but offers little value.
- EP204** You can use delivery subcontractors to complement your own delivery. Within your apprenticeship programme (conditional on paragraph EP196) delivery subcontractors can deliver full or part-apprenticeship training for frameworks and standards.
- EP205** You must only use delivery subcontractors that satisfy one of the following three criteria:
- EP205.1** they are on the published [Register of Apprenticeship Training Providers](#) and have applied by the main or supporting application routes; or
 - EP205.2** they are one of your [connected companies or charities](#) as defined by HMRC and are on the published Register of Apprenticeship Training Providers, having applied through the employer-provider application route; or
 - EP205.3** they have applied to the Register of Apprenticeship Training Providers subcontracting exception process and been approved to be exempted from the requirement to be on the Register of Apprenticeship Training Providers and can produce written approval from DfE confirming that the exception applies to them, including its duration. This temporary exception is effective from 25th May 2022 until 31 July 2023.

- EP206** You must not use of delivery subcontractors if you do not have the knowledge, skills, and experience of contracting with, and managing, delivery subcontractors.
- EP207** You must carry out your own due diligence checks on potential delivery subcontractors including taking account of any relevant Ofsted reports. The process and results must be available for inspection by us. You must not use a potential delivery subcontractor's presence on the Register of Apprenticeship Training Providers, or any other public register or database, as an indicator that they are suitable to deliver to your specific requirements.
- EP208** You must not use a delivery subcontractor that you assess as being unsuitable, or whose quality of delivery is demonstrably inadequate.
- EP209** You must have robust procedures in place to ensure you do not inadvertently fund extremist organisations through the subcontracting of apprenticeship training and / or on-programme assessment.
- EP210** You must not agree the use of any delivery subcontractor where this would require you to subcontract apprenticeship training and / or on-programme assessment to a second level. All of your delivery subcontractors must be contracted directly by you and you may have more than one subcontractor. The restriction on the level of subcontracting is in place to ensure:
- EP210.1** that main providers / employer-providers retain clear and transparent accountability for the quality of training provision;
 - EP210.2** that proper and appropriate controls are in place to manage the apprentice experience; and
 - EP210.3** that value for money is achieved by mitigating funding being utilised for multiple tiers of subcontractor management.
- EP211** You must make sure that apprentices supported through subcontracting arrangements know about you and your subcontractors' roles and responsibilities in delivering the apprenticeship programme.

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

- EP212** You are responsible for the actions of your subcontractors connected to, or arising out of, the delivery of the services, which you subcontract. If your subcontractor fails to deliver, you will be responsible for making alternative arrangements for the delivery of education and training, protecting the audit trail, and / or repaying ESFA.
- EP213** You carry overall responsibility for the quality of apprenticeship training and on-programme assessment undertaken by your delivery subcontractors.
- EP214** You must manage and monitor all your subcontractors to ensure that high-quality delivery is taking place that meets the requirements of the agreement you have entered into with the ESFA for the provision of ESFA funded delivery (which includes compliance with the ESFA funding rules). You must ensure safeguarding is rigorously enforced.

- EP215** It is not acceptable for any staff with a direct or indirect financial interest in the subcontractor to undertake any management control activities. This includes signing time sheets or invoices, as well as organising and / or carrying out monitoring activity or visits to check the subcontractor delivery.
- EP216** You must carry out a regular and substantial programme of quality-assurance checks on the apprenticeship training and on-programme assessment provided by delivery subcontractors, including visits at short notice and face-to-face interviews with staff and apprentices. The programme must:
- EP216.1** include whether the apprentices exist and are eligible; and
 - EP216.2** involve direct observation of initial guidance, assessment and delivery of training and / or on-programme assessment.
- EP217** Your findings must be consistent with these funding rules, your expectations and the subcontractor's records. You must report any instances to us where this is not the case.
- EP218** The Prevent duty applies to subcontracted provision. It requires Training Providers to have due regard to the need to prevent people from being drawn into terrorism. All further education providers must comply with relevant legislation and any statutory responsibilities associated with the delivery of education and safeguarding of students, and this includes students receiving provision under a subcontracting arrangement.
- EP219** If any of your delivery subcontractors undergoes a change of circumstances that affects its ability to continue to deliver under a subcontract with you, you must make alternative delivery arrangements for each apprentice affected by this. Change of circumstances include going into liquidation or administration, key delivery staff leaving the organisation, or removal from the Register of Apprenticeship Training Providers.

Contracting with delivery subcontractors

- EP220** You must not enter into any agreement for brokerage. By brokerage we mean the provision by a third party of services, for a fee, to source delivery subcontractors to deliver on behalf of yourself.
- EP221** Before any subcontractor starts delivery of the subcontracted provision, the subcontractor must have a legally binding, written subcontract with you.
- EP222** The Department does not provide a template for subcontracts. The subcontract must entitle you to exercise management controls over the subcontractor's activity including access by auditors appointed by either your organisation or the ESFA. As a minimum the contracts must cover the following points:
- EP222.1** A list of all services your organisation will provide to them and the associated costs for doing so. This must include:
 - EP222.1.1** a list of individually itemised, specific costs that you will charge for managing the subcontractor and how these are

reasonable and proportionate to the delivery of subcontracted provision;

EP222.1.2 specific costs for quality monitoring activities and specific costs for any other support activities offered by you to the subcontractor and how these contribute to the delivery of high-quality learning;

EP222.2 A requirement to give the ESFA and any other person nominated in writing by the ESFA, access to its premises and to all documents related to their subcontracted delivery.

EP223 The subcontractor must be under an obligation to provide you with ILR data so that your organisation's data returns to the ESFA accurately reflect your subcontractor's delivery information.

EP224 The subcontractor must provide you with sufficient evidence to allow you to:

EP224.1 assess its performance against Ofsted's education inspection framework;

EP224.2 incorporate the evidence it provides you with into your self-assessment report; and

EP224.3 guide the judgements and grades within your self-assessment report.

EP225 The subcontractor must always have suitably qualified staff available to provide the education and training funded by the ESFA.

EP226 The subcontractor must co-operate with you if the subcontract ends for any reason to make sure that there is continuity of learning.

EP227 The subcontractor must tell you if evidence of irregular financial or delivery issues arise. This could include, but is not limited to:

EP227.1 non-delivery of training when funds have been paid;

EP227.2 sanctions imposed by an awarding organisation;

EP227.3 allegations of fraud;

EP227.4 an inadequate Ofsted grade; and

EP227.5 allegations or complaints by apprentices, staff members, or other relevant parties.

EP228 The subcontractor must not use ESFA funding to make bids for, or claims from, any European funding on its own behalf or on behalf of the ESFA.

EP229 The subcontractor must not use ESFA funding as match funding for ESF projects.

EP230 You must make sure your subcontractors comply with the requirements set out in these funding rules.

EP231 You must ensure that you include in your subcontract provisions that enable you to terminate the subcontract should your subcontractor be removed from RoATP.

EP232 You should take your own legal advice about how best to incorporate these provisions and wider terms and conditions in your subcontracts.

Subcontracting threshold and exemption cases (this section does not apply to Local Authorities)

EP233 If you pay subcontractors more than 25% of the apprenticeship funding you receive from the ESFA (determined using the financial information in the subcontractor declarations) and you do not think this can be reduced to less than this by 31 July 2022, you must submit an exemption case to ESFA to obtain ESFA's agreement.

EP233.1 This policy is in place as part of the subcontracting reforms which have the overarching aim of reducing the volume of subcontracting in the sector to ensure high quality provision for learners and as much funding reaching the front line as possible.

EP233.2 You must submit an Exemption Case, utilising [Annex C](#) (of the Reforms to Subcontracting Education for Learners over 16 document) to the Department by 1 May 2022. The exemption case should be sent to subcontracting.requirements@education.gov.uk.

EP233.3 We will consider your request, taking into account the detail you have provided, data and information available within and outside ESFA. We will consider:

EP233.3.1 Your subcontracting policy, including your fees and charges policy, in line with rule EP180 and EP181.

EP233.3.2 If you subcontract more than £100,000 in a funding year, we will consider the external auditor's report on the effectiveness of the processes and controls you have in place for managing subcontractors as set out in rule EP238.

EP233.3.3 Whether the subcontracting is delivering to learners who may not otherwise have access to provision, including there being no alternative provision, or the characteristics of the learner mean another main provider may not be suitable.

EP234 If you do not currently subcontract more than 25%, you are still required to review all subcontracted provision in line with rule EP202. You should ensure you review this, on at least an annual basis, the educational rationale for entering each subcontract and ensure these remain relevant and are supported by your officers who are charged with governance.

Subcontracting reporting and external audit requirements

EP235 You must record subcontracted provision in line with the published guidance for the school census and the individualised learner record (ILR) data returns.

- EP236** If you return ILR data, in accordance with your ESFA contract (s) you must submit a fully completed subcontractor declaration by the dates given to you by the ESFA. This will be at least twice during the funding year. If you do not subcontract you must still provide a nil return to confirm this.
- EP237** You must also update your subcontractor declaration if your subcontracting arrangements change during the year. This is done via your [MyESF account](#).
- EP238** In accordance with your ESFA contract(s) you must obtain an annual report from an external auditor if the aggregate total of all subcontractors delivering ESFA funded provision on your behalf exceeds or is anticipated to exceed £100,000 in any single funding year. Whilst otherwise excluded from these rules, for the purposes of calculation of aggregate total of subcontractor delivery you must include delivery of all non-apprenticeships provision.
- EP239** You must supply us with a certificate signed by an external auditor and an authorised signatory to confirm you have received a report that provides assurance on the arrangements to manage and control your delivery subcontractors. You must send a copy of the external auditor's final report including the action plan of agreed recommendations to subcontracting.requirements@education.gov.uk. The ESFA will review this as part of our overall assurance arrangements. The following link includes the certificate you must return, as well as guidance and information on expectations: [Providing external assurance on subcontracting controls - GOV.UK \(www.gov.uk\)](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/444444/Providing_external_assurance_on_subcontracting_controls_-_GOV.UK.pdf)

Special conditions for subcontracting to supporting providers

- EP240** Delivery subcontractors who have successfully applied to the supporting application route of the Register of Apprenticeship Training Providers must not receive more than £500,000, or £100,000 if the delivery subcontractor is identified as new, of apprenticeship funding for their delivery from 1 August to 31 July each year.
- EP241** You must ensure that you are not one of a number of organisations making payments to any supporting provider that exceed £500,000, or £100,000 if the delivery subcontractor is identified as new, in any one year. We will place restrictions on your future use of delivery subcontractors if this happens.
- EP242** We will exclude any supporting provider that has applied to the Register of Apprenticeship Training Providers through the supporting application route where they allow their funding to exceed their respective total in any one year.

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

- EP243** Where the employer is the delivery subcontractor, they must only be paid the actual costs of delivery. Employers must not profit from apprenticeship delivery to their own employees.

Disputes and issue resolution

- EP244** You are responsible for resolving issues and disputes between you and your delivery subcontractors.

EP245 Agreements entered into by you must be legally binding. Dispute resolution must be in accordance with the terms of the written agreement, which ultimately would be enforceable through the courts.

EP246 Apprentices must be made aware by you, as the employer-provider, that they can contact the apprenticeship helpline regarding apprenticeship concerns, complaints and enquiries. The contact number and website must also be included in the apprentice's commitment statement.

Paying for an apprenticeship

EP247 The funding method for an apprenticeship is determined at the start of each apprentice's programme. Where you do not pay the apprenticeship levy at the start of the apprenticeship, it will be funded through government-employer co-investment for its duration unless the apprentice changes employer. Even if the employer subsequently becomes a levy-payer, the apprenticeship will not be funded from the employer's apprenticeship service account.

The price of an apprenticeship: evidencing cost for employer-providers

EP248 You can receive funds from your apprenticeship service account or government-employer co-investment for training delivered to your own employees if you are approved by us as an employer-provider on the Register of Apprenticeship Training Providers.

EP249 Approved employer-providers can directly deliver all or part of their apprenticeship training programme to their own employees, including employees that have been subject to redundancy, or those employed by a connected company or charity.

EP250 This delivery can be funded using funds in your apprenticeship service account or government-employer co-investment.

EP251 You must report to the ESFA the full cost of training and assessment including the end-point assessment for each apprentice, as this will determine how much of the funds in your apprenticeship service account or government-employer co-investment can be paid.

EP252 You:

EP252.1 Must accurately reflect costs for training and end-point assessment onto the ILR (where you do not know the details of the end-point assessment organisation at the start of the apprenticeship, you must enter the price for end-point assessment when this has been confirmed). This field in the ILR must be left blank until the price of the end-point assessment has been confirmed to ensure accuracy

EP252.2 Must evidence how all costs are calculated (this is for transparency and to ensure value for money - in the case of a main provider and a separate employer there is a negotiation of costs; this cannot be achieved when the employer and main provider are the same entity).

EP252.3 Must account for prior learning and experience. You must reduce the content, duration, and price where the individual has prior learning

necessary to achieve the apprenticeship; funds must not be used to pay for skills already attained by the apprentice - you must document how you have assessed the individual's prior learning and include this in the evidence pack.

EP252.4 Can include payroll, pay slips, expense claims, hourly pay rates for staff delivering training, and assessment to apprentices and training plans that include the hours of training delivered.

EP252.5 Are allowed to claim salaries plus on-costs of employees directly involved in the administration of apprenticeship training. On costs include employment costs such as employer pension contributions, national insurance and employee benefits; travel and subsistence costs for these employees can also be used if these directly relate to apprenticeship delivery.

EP252.6 Are allowed to claim for accommodation and facilities where the employer can demonstrate that this has been used for training and / or end-point assessment for the apprentice during the time claimed.

EP252.7 Cannot claim for employee's time for any activity not connected to the administration, training or on-programme assessment of the apprenticeship; bonuses or profit are also ineligible costs.

EP253 If you evidence costs that are more than the maximum allowed by the funding band for the chosen apprenticeship, then you must pay in full the difference between the band maximum and the total cost. This cannot be funded from the apprenticeship service account or co-investment. The funding bands, and the standards placed within them, may be subject to change.

EP254 Where you have insufficient funds in your apprenticeship service account, the ESFA will pay the government's co-investment contribution towards the costs of training and you will be expected to meet the remaining costs.

EP255 The only exceptions to employer co-investment are:

EP255.1 English and maths, to achieve the required government standard (see paragraphs EP160 to EP181);

EP255.2 where you qualify for extra support for small employers (see paragraph EP159);

EP255.3 for any learning support for the apprentice (see paragraphs EP82 to EP93);

EP255.4 for any additional payments (see paragraphs EP104 to EP111); and

EP255.5 where you deliver to your own staff as an employer-provider.

EP256 You may subcontract the delivery of part of an apprenticeship to another organisation and must follow the rules set out in paragraphs EP195 to EP246 for subcontracting.

- EP257** We will monitor training and end-point assessment costs to ensure that you achieve best value, such as economies of scale, which you must take into consideration when you calculate delivery costs.
- EP258** The costs of training and (where required) assessment must reflect any reduction in length or content of the apprenticeship to ensure that funds are not used to pay for skills already attained.

When payments are made

- EP259** We will pay 80% of the cost up to the maximum value of the funding band, in equal monthly instalments according to the planned duration of the apprenticeship, regardless of how training is scheduled over the planned duration. This will be deducted from your apprenticeship service account where funds are available.
- EP260** We will pay the remaining balance of the agreed price up to the maximum value of the funding band when the apprentice has undertaken all the activity relevant to the apprenticeship, including completing all elements of the end-point assessment.
- EP261** The deductions from your apprenticeship service account will mirror these payments where funds are available.
- EP262** Where apprenticeship training is not funded from your apprenticeship service account (e.g. levy payers with insufficient funds), we will pay 80% of the government co-investment funding in equal monthly instalments according to the planned duration of the apprenticeship, regardless of how training is scheduled over the duration of the apprenticeship.

Value added tax (VAT)

- EP263** Supplies of training, or end-point assessment, which are paid by government funding, including the apprenticeship levy, are exempt from VAT. This includes additional payments (see paragraphs EP104 to EP111). Prices entered onto the ILR must not include VAT.
- EP264** The ESFA does not provide advice on VAT. You must always seek your own advice on VAT from HMRC if you are in any doubt about VAT treatment.

Funds in your apprenticeship service account

- EP265** You must only add PAYE schemes for you or your connected companies or charities (according to [HMRC's definition](#)) to your apprenticeship service account.
- EP266** Public bodies cannot usually be connected for apprenticeship levy purposes. If you are setting up an apprenticeship service account for a public body, you must only add the PAYE scheme or schemes for one employer, that is, a government department, local authority or non-ministerial department.
- EP267** There are some exceptions where public bodies are considered to be corporate bodies, companies or charities. If your organisation is connected as defined by HMRC employment allowance connection rules and shares one apprenticeship

levy allowance, then you could set up an account with another connected employer.

EP268 We will monitor accounts to check that PAYE schemes are properly used. If we have any questions, we may ask you to provide evidence that the employers sharing an apprenticeship service account are connected.

EP269 You must:

EP269.1 remove PAYE schemes from your apprenticeship service account that are no longer operated by the employer associated with the account (or who leaves the group of connected companies);

EP269.2 ensure the PAYE scheme for the apprentice's employer is associated with the same apprenticeship service account which records the apprenticeship for them; and

EP269.3 manage users associated with your account including:

EP269.3.1 removing users who are not authorised to act on your behalf; and

EP269.3.2 controlling who can add users.

EP270 You are responsible for recording the required details of the apprenticeship in your apprenticeship service account and this must correspond with the information recorded on the ILR.

EP271 You must not allow any third party to authorise payments through your apprenticeship service account.

EP272 As a result of retrospective changes to the amount of apprenticeship levy declared to HMRC, the balance in your apprenticeship service account could go up or down. If an adjustment reduces your balance to a negative value that persists, the ESFA may ask you to pay us this value, discounted by the co-investment rate in place when the apprenticeship started. We will provide you with details of this payment including the amount due and when to make a payment.

EP273 If your organisation is subject to structural changes including mergers and acquisitions, you must contact us.

Reservation of funds by non-levy employers

EP274 If you do not pay the levy you can reserve funds using the apprenticeship service to access apprenticeship funding. More information on reservation of funds can be found in [Apprenticeship funding in England](#).

EP275 Where you are using the apprenticeship service to reserve funds to fund training and assessment, you are responsible for recording the required details of the apprenticeship. The information in your apprenticeship service account must correspond with the information recorded on the ILR. It is your responsibility to ensure the accuracy of information within the reservation.

EP276 Reserved funds are classed as government-employer co-investment and all rules

associated with government-employer co-investment must be followed when using reserved funds.

EP277 Funding cannot be secured through both reservations, and via contracted provision, for a single apprentice on an apprenticeship unless:

EP277.1 an apprenticeship was funded via contracted provision and following redundancy needs to be funded via a reservation to allow an apprentice to continue / complete their apprenticeship with a new employer.

EP277.2 an apprenticeship was funded via contracted provision and following provider failure needs to be funded via a reservation to allow an apprentice to continue / complete their apprenticeship with a new provider.

EP278 Each reservation is linked to your account. You can change the provider at any time up to the point of the commitment, and where you are no longer acting as the provider you must follow the Employer Funding Rules.

EP279 If you are planning to use reserved funds to fund an apprentice, you must reserve funds in advance of recruitment or an offer of an apprenticeship being made to an existing employee.

EP280 When making a reservation you must declare:

EP280.1 the month the apprenticeship training will start; and

EP280.2 the apprenticeship standard

EP281 Reservations can only be used for:

EP281.1 New apprenticeship starts; and

EP281.2 Re-starts where:

EP281.2.1 The apprenticeship was funded via contracted provision and following redundancy needs to be funded via a reservation to allow an apprentice to continue / complete their apprenticeship with a new employer.

EP281.2.2 The apprenticeship was funded via contracted provision and following provider failure needs to be funded via a reservation to allow an apprentice to continue / complete their apprenticeship with a new provider.

EP282 Where funds have not been reserved before the apprenticeship start or re-start date, you, must reserve funds no later than the end of the calendar month in which the apprentice starts or re-starts.

EP283 Where an apprenticeship has started or re-started and funds have not been reserved, if you want to use reserved funds to fund that apprenticeship, you must reserve funds for a future available month. You and must re-start the apprentice on their apprenticeship and re-determine eligibility in line with the start date confirmed in the reservation. This includes, where applicable, updating the apprenticeship agreement

and commitment statement.

- EP284** An ILR cannot be submitted where funds have not been reserved for a start or re-start and a commitment has not been made for an apprentice, with matching details.
- EP285** If you have made a reservation we will guarantee funds, subject to the reservation being converted into a commitment and the rest of the funding rules being met. Eligibility is determined at the start of an apprenticeship programme, not on the date of reservation.
- EP286** Following a reservation:
- EP286.1** A commitment must be made on the apprenticeship service. Information on how to [convert a reservation to a commitment](#) can be found on GOV.UK.
 - EP286.2** All ILR fields must be accurately completed for an apprentice as required in the [ILR specification](#).
- EP287** Reservations will expire if they are not used within 3 months of the start date detailed within the reservation. If the reservation expires before the apprentice starts, you will need to make a new reservation. New reservations are subject to government funds being available.
- EP288** If a change of circumstance occurs that results in the need for a new reservation on the apprenticeship service, you must contact [the apprenticeship service support desk](#). You will have used a reservation creating the original commitment for the apprentice and must not make a second due to change of circumstances. More information on when to contact us can be found in the change of circumstances section.

Qualifying days for funding

- EP289** To qualify for apprenticeship funding the apprentice must be in learning for a minimum of 42 days between the learning start date and learning planned end-date.
- EP290** If a learner withdraws without completing one episode of learning, for example without attending the first class, then they must not be included in the ILR.
- EP291** Where funding is paid for an apprentice who does not subsequently meet the qualifying period, we will recover the funding from you.

Subsidy control

New for 1 August 2021

EP292 to EP295 - New Rules: Section updated to reflect new Subsidy Control rules.

- EP292** Funds received by employer-providers from your apprenticeship service account (including government top-ups to funds), government-employer co-investment and additional payments do not fall within the scope of subsidy control from 1 August 2021 to 31 July 2022.

EP293 The waiving of the employer contribution for small employers, (see paragraph EP159) is likely to amount to subsidy control, and the subsidy control rules will therefore apply to such cases. For more information on Subsidy Control, please visit the [Subsidy Control guidance](#) page on GOV.UK.

EP294 Transfers of funds are subject to subsidy control regulations. For any transfer an employer receives, a percentage of the transferred funds will count towards their Small Amounts of Financial Assistance exemption. . This percentage represents the amount of co-investment you would have otherwise had to contribute towards the apprenticeship, if funds had not been transferred. The percentage rate is dependent on when the apprenticeship started:

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

EP295 You must ensure you complete a subsidy control declaration for funding you receive as a result of the waiver of the employer contribution for small employers and transfers. You are responsible for retaining a copy of this declaration in the evidence pack.

Apprenticeships funded by transfers of levy funds

Introduction for employer-providers

New for 1 August 2021

EP303, EP307 and EP319 - Clarification: updates to reflect the upcoming launch of the online matching service.

EP321 - Clarification: updated to reflect the rules within the Employer Funding Rules around what happens a transfer payment fails.

EP322 - Clarification: updated to reflect the rules within the Employer Funding Rules around monitoring process.

New for November 2021 – version 2

EP310 and EP320 – Clarification: updates to reflect that from February 2022, we are removing the restriction on sending employers not being able to receive any transferred funds from other levy-paying employers whilst they are funding a transfer.

EP296 Levy-paying employers can transfer a percentage of their levy funds, which were declared for the previous tax year, to other employers, including apprenticeship training agencies (ATAs). The transfer allowance percentage is currently set at 25%.

The transfer allowance will be calculated from the total amount of levy declared during the previous tax year, with the English percentage applied, plus the 10% government top-up payment. This allowance is recalculated every tax year and any unused allowance will not be carried forward.

EP297 Employer-providers receiving transferred funds will only be able to use them to pay for training and assessment for apprenticeship standards, for new apprenticeship starts. A transfer must be agreed and put in place before an apprentice (being funded by the transfer) starts their apprenticeship. The only exception to this is where the apprentice is changing employer and an agreement to continue their apprenticeship with their new employer is via a transfer of levy fund – this must be agreed by the point the apprentice starts with their new employer.

Rules for sending employer-providers

EP298 A sending employer-provider is a levy-paying employer-provider who wishes to transfer levy funds in their apprenticeship service account to another employer to support their delivery of an apprenticeship standard. These funds can only be used for the cost of apprenticeship training and assessment.

EP299 We will calculate the transfer allowance around the start of each tax year (the calculation is based on the period 12 levy figure declared to HMRC). The transfer allowance is calculated on declared levy multiplied by the English percentage, along with the 10% automatic top up from Government.

EP300 If you are part of an account with connected organisations, your transfer allowance will be calculated from the total levy declared by all organisations included within the account at the time of the calculation. You will not have an individual transfer account.

EP301 Provided you do not exceed the transfer allowance, you are able to transfer funds to any number of employers.

EP302 To send a transfer, if prompted, you must re-sign the ESFA employer agreement.

EP303 Where applicable, you must agree with the receiving employer the criteria of the apprenticeship(s) that you will fund and the price that they have agreed with their chosen main provider and end-point assessment organisation. You will need to approve these details through the apprenticeship service and ensure you do not exceed your transfer allowance.

EP304 By agreeing to fund an apprenticeship with a transfer you are committing to fund the apprenticeship over its entire duration until completion. You will need to ensure that you have enough transfer allowance to cover these costs over the relevant number of years. You will not be able to stop payments once you have approved the apprenticeship on the apprenticeship service and transfer payments will be deducted from your levy account prior to your own apprenticeships.

EP305 The transfer amount should cover 100% of the eligible training and assessment costs, up to the funding band maximum, of the apprenticeship standard. This does not include English and maths training up to and including level 2, which is funded separately.

- EP306** You cannot jointly fund an apprenticeship with another levy-paying employer or employer-provider.
- EP307** You must not impose conditions on the transfer, such as choosing the receiving employer's main provider or end-point assessment organisation for them. This does not include any criteria that you may have set around your transfer pledge.
- EP308** You must not seek or accept any incentives or inducements, or any other payments not authorised by us in exchange for sending a transfer.
- EP309** The funds that you transfer will retain their initial date of expiry; the date of transfer will not affect this.
- EP310** As a sending employer-provider, you will not be able to receive any transferred funds from another levy-paying employer, while you are funding a transfer.

From February 2022, this restriction will be removed. Therefore, from this date, if you are a sending employer (with existing transfer commitments) then you will be able to receive funds, in order to take on new apprenticeship starts from another levy-paying employer.

- EP311** Once the transfer of levy funds has been processed, the responsibility and liability of the transfer funded apprenticeship lies solely with the receiving employer. The sending employer has no accountability for that apprenticeship going forward, apart from the commitment to fund the apprenticeship over its entire duration until completion.

Rules for receiving employer-providers

- EP312** A receiving employer-provider is any (levy-paying or non-levy paying) employer-provider who receives a transfer of funds from a levy-paying employer.
- EP313** For the purposes of apprenticeships funded by a transfer, the receiving employer-provider is treated as a levy-paying employer.
- EP314** To receive a transfer, if prompted, you must sign the [ESFA employer agreement](#) and ensure apprenticeships funded by a transfer follow the rules in this document.
- EP315** Once the transfer of levy funds has been processed, the responsibility and liability of the transfer funded apprenticeship lies solely with the receiving employer. The sending employer has no accountability for that apprenticeship going forward, apart from the commitment to fund the apprenticeship over its entire duration until completion.
- EP316** The transfer amount you receive should cover 100% of the eligible training and assessment costs, up to the funding band maximum, of the apprenticeship standard. This does not include English and maths training up to and including level 2, which is funded separately.
- EP317** You will need to set up an apprenticeship service account if you do not already have one. You will need to enter details of the apprenticeship that the transferred funds relate to. If you already have an apprenticeship service account, you may use this to receive a transfer.
- EP318** The rules on what apprenticeship funding can be spent on are set out in the eligible costs section (paragraphs EP94 to EP101).

EP319 Before entering the details on your apprenticeship service account, you must:

EP319.1 agree with the transfer details with the sending employer (either by an approved pledge application or by a direct transfer connection); and

EP319.2 confirm the cost of the apprenticeship on the apprenticeship service. You and the sending employer will need to approve these details through the apprenticeship service.

EP320 If you are a levy-paying employer-provider, you must not transfer funds to other employers while you are in receipt of transferred funds.

From February 2022 this restriction will be removed. This will allow existing sending employers (with existing transfer commitments) to be able to receive transferred funds, from another levy-paying employer, in order to take on new apprenticeship starts.

If the total cost cannot be covered by the transfer

EP321 If you are a levy-paying employer-provider, if at any point the ‘sending’ employer has insufficient funds to cover the cost of your apprenticeship training and you have sufficient levy funds available then these funds will automatically be used.

Monitoring

EP322 We will monitor transfer activity to ensure apprenticeship funding is used appropriately and may take action where you do not meet the terms and conditions of using apprenticeship funding. These terms and conditions are set out in these funding rules and the ESFA employer agreement.

Delivering the apprenticeship

Data protection

EP323 Employer-providers must comply with their obligations under data protection legislation, in particular any notification requirements and the duty to appoint a data protection officer.

EP324 Data protection legislation means (i) the Data Protection Act 1998 and, for the periods when they are in force, (ii) the General Data Protection Regulation (Regulation (EU) 2016/679) and the Law Enforcement Directive (Directive (EU) 2016/680) and any applicable national implementing laws as amended from time to time, and (iii) the Data Protection Act 2018.

Certification

EP325 The end-point assessment organisation is responsible for claiming the apprenticeship completion certificate from the ESFA(including for those apprentices who are not funded by ESFA and recorded in the ILR under Funding Model 99).

EP326 The end-point assessment organisation must not claim the apprenticeship completion certificate from ESFA until they have received evidence from the provider that the

apprentice has met all the requirements of the apprenticeship including English and maths.

EP327 Where applicable you must apply for, and give, apprentices certificates from awarding organisations for achieving a mandatory qualification and evidence this in the evidence pack.

Change of circumstance

New for 1 August 2021

EP328.1 - New rule: To reflect where there is a change to the apprentice's programme (including changing to a new version of a standard).

EP328 If any circumstances change you must revise existing agreements or create new agreements. This includes but is not limited to:

EP328.1 changes to the apprentice's programme (including changing to a new version of a standard (see paragraph EP354 to EP367));

EP328.2 changes to price;

EP328.3 changes to the apprentice's eligibility;

EP328.4 any updates required to your apprenticeship service account;

EP328.5 changes to the apprentice's contract or working pattern;

EP328.6 changes to the apprenticeship duration;

EP328.7 changes to subcontractors; or

EP328.8 breaks in learning.

EP329 We will monitor take-up of additional payments and unusual patterns of activity to identify any potential fraud or irregularity.

EP330 An apprentice must be employed continuously for the duration of the apprenticeship. If their employment is terminated, the individual cannot continue with their off-the-job training (with the exception of redundancy).

EP330.1 When employment or an apprenticeship agreement has ended (resignation, dismissal or any other action by the apprentice or the employer that results in the apprenticeship agreement ending, with the exception of redundancy) and new employment has commenced within 30 days we do not expect a withdrawal to be recorded.

EP330.2 When employment or an apprenticeship agreement has ended (resignation, dismissal or any other action by the apprentice or the employer that results in the apprenticeship agreement ending, with the exception of redundancy) and new employment hasn't commenced within 30 days, you must notify us that the apprentice has left. You must

manage this using a withdrawal to ensure funds are not paid when the apprentice is not employed.

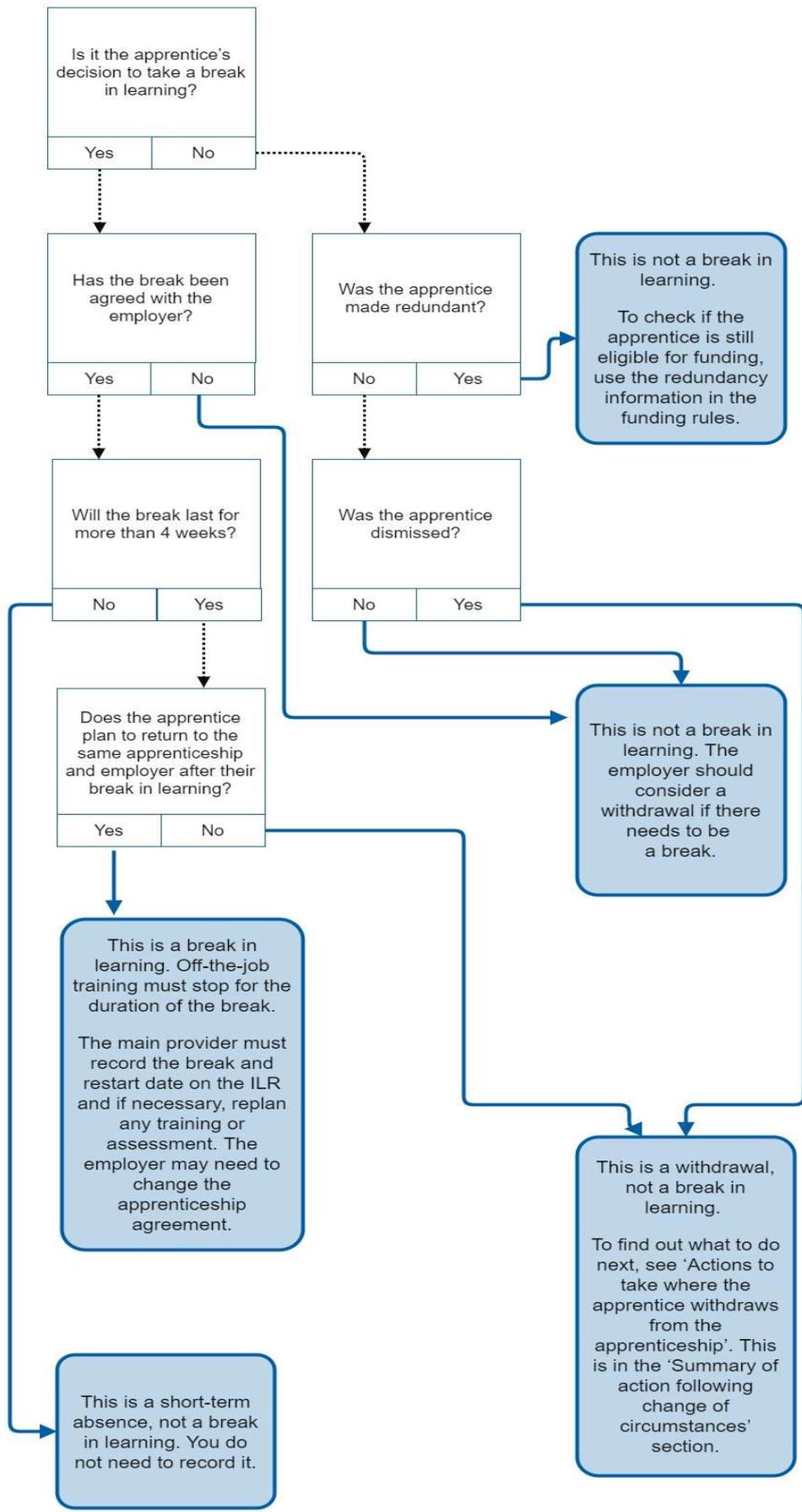
Breaks in learning

New for 1 August 2021

The flowchart has been updated and moved to a new position in the document to follow the text on breaks in learning.

- EP331** The apprentice may take a break in learning where they plan to return to the same apprenticeship programme. The decision to take a break in learning, the reason for the break and its expected duration must be agreed with you. Reasons for taking a break in learning could include medical treatment, parental leave or leave for other personal reasons. You must record breaks in learning on the ILR and re-plan the delivery of any remaining training and / or assessment following a break, if required. You must revise the apprenticeship agreement if required. A break in learning must not be recorded:
- EP331.1** For annual leave, public holidays and short-term absences (up to 4 weeks)
 - EP331.2** When employment or an apprenticeship agreement has ended (redundancy, resignation, dismissal or any other action by the apprentice or the employer that results in the apprenticeship agreement ending). Where an apprentice has been made redundant you must refer to paragraphs EP343 to EP344.
- EP332** We will stop making payments from funds in your apprenticeship service account or government-employer co-investment if an apprentice has a break in learning.
- EP333** If an apprentice is on a break in learning when an additional payment is due, the payment will be delayed until the apprentice resumes their apprenticeship and has reached an overall total of 90 or 365 days in learning.
- EP334** Throughout the apprenticeship any changes as well as breaks in learning must be reported to us. You must account for these changes and ensure the minimum duration rules are met.

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



EP335 You can find detailed information on how changes of circumstances affect how funding is calculated in the [Apprenticeship Technical Funding Guide](#).

EP336 Please refer to the [ILR guidance](#) for details of how to record these change of circumstances on the ILR. We will update this guidance as new change of circumstance arise. If you need any further advice, please contact us.

Where training or assessment stops

EP337 Where a change of circumstance means that training and / or assessment is no longer being delivered, no further funds from your apprenticeship service account, government-employer co-investment or additional payments will be made.

EP338 In these circumstances you must inform us of the date at which training or assessment activity stopped through the ILR.

EP339 If an apprentice leaves without completing their apprenticeship, the last date of learning, including the apprenticeship programme learning aim, is the date you have evidence the apprentice was still in learning for any learning that is part of their apprenticeship.

EP340 When a change of circumstance results in over-payment of funds from your apprenticeship service account or government-employer co-investment, any over-payment must be repaid by you.

EP341 Apprentices who started their programme before 1 May 2017 must not be withdrawn and re-started onto the same apprenticeship, or another apprenticeship at the same level in a similar subject after 1 May 2017 solely to enable them to be funded by the new funding system. If the apprentice was on a break in learning, they can enrol on a new apprenticeship in the new funding system if it is in their best interests. We will monitor any breaks in learning during this period to identify any abuse of this exception.

EP342 If any change of circumstances is not included above, you must seek advice from us about what action you must take. Please use our [enquiry form](#).

Redundancy

New for 1 August 2021

- Text related to the previous redundancy policy has now been deleted.
- The flowchart has been updated.

Apprentices made redundant on or after 15 October 2020 who, on the day of dismissal, are within six months of the final day of the apprenticeship practical period OR they have completed at least 75% of the apprenticeship practical period

EP343 Apprentices who have their apprenticeship agreement terminated by reason of redundancy, on or after 15 October 2020, and who, on the day of dismissal, are within six months of the final day of the practical period, OR they have completed at least 75% of the practical period specified in the apprenticeship agreement,

may continue their apprenticeship training without being employed under an apprenticeship agreement (see paragraph EP27.1.1). In these circumstances:

- EP343.1** You can continue to deliver the apprenticeship's training as long as all the remaining elements, including the end-point assessment, can be successfully delivered and the apprentice wishes to continue training with an organisation that they no longer work for.
- EP343.2** We will fund 100% of the remaining costs of the total price up to the funding band maximum.
- EP343.3** You must record the change in employment status in the ILR and you must stop payments from your apprenticeship service account, including where the apprenticeship is funded by a transfer. These dates must match the date the apprentice's apprenticeship agreement was terminated.
- EP343.4** You must retain evidence of the apprentice's redundancy in the evidence pack.
- EP343.5** You must support the apprentice through to the end of the apprenticeship, including any assessment.
- EP343.6** You must have evidence that you have made reasonable efforts to find the apprentice a new employer.
- EP343.7** If the apprentice finds a new employer, then the new employer assumes all outstanding liabilities and benefits from that point. It would be the responsibility of the new employer to secure a new training provider for the apprentice, should both parties wish to continue with the apprenticeship programme.
- EP343.8** If the apprentice takes a job with an employer which is not related to their apprenticeship, we will continue to fund them as per paragraph EP343.2.

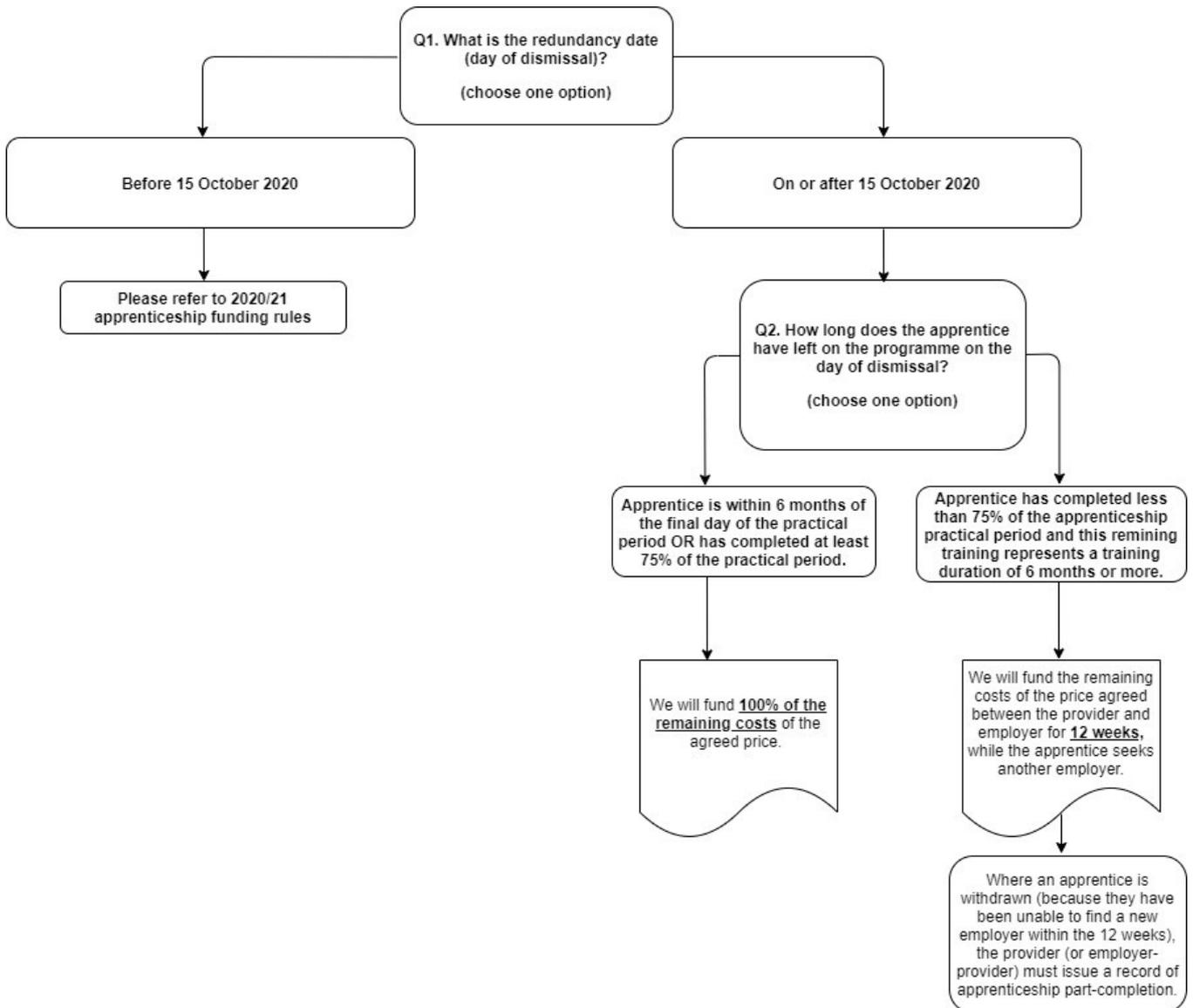
Apprentices made redundant on or after 15 October 2020 and who, on the day of dismissal, have completed less than 75% of the apprenticeship practical period and the remaining training represents a training duration of six months or more

EP344 Apprentices who have their apprenticeship agreement terminated by reason of redundancy, on or after 15 October 2020, and who, on the day of dismissal, have completed less than 75% of the practical period specified in the apprenticeship agreement, and the remaining training represents a training duration of six months or more, may continue their apprenticeship training without being employed under an apprenticeship agreement (see paragraph EP27.1.2). In these circumstances:

- EP344.1** You can continue to deliver the apprenticeship's training, where it can be successfully delivered, and the apprentice wishes to continue training with an organisation that they no longer work for.

- EP344.2** We will fund the remaining costs of the total price agreed for 12 weeks, while the apprentice seeks another employer.
- EP344.3** You must record the change in employment status in the ILR and you must stop payments from your apprenticeship service account, including where the apprenticeship is funded by a transfer. These dates must match the date the apprentice's apprenticeship agreement was terminated.
- EP344.4** You must retain evidence of the apprentice's redundancy in the evidence pack.
- EP344.5** You must have evidence that you have made reasonable efforts to find the apprentice a new employer.
- EP344.6** If the apprentice finds a new employer, then the new employer assumes all outstanding liabilities and benefits from that point. It would be the responsibility of the new employer to secure a new training provider for the apprentice, should both parties wish to continue with the apprenticeship programme.
- EP344.7** Where a new employer is not found within 12 weeks you must record the apprentice as withdrawn and record the withdrawal reason as redundancy.
- EP344.8** Where an apprentice is withdrawn because they have been unable to find a new employer, you must provide a 'record of apprenticeship part-completion' to support the individual to find new employment. This record must include, as a minimum:
- EP344.8.1** the apprentice details.
 - EP344.8.2** the level and subject.
 - EP344.8.3** the start date and planned end date.
 - EP344.8.4** the percentage of the apprenticeship completed.
 - EP344.8.5** a summary of the knowledge, skills and behaviours that you consider they have developed and evidenced.
 - EP344.8.6** in the case of apprenticeships with mandatory qualifications, the qualification, or units thereof, achieved.

Flow chart: What to check in the case of redundancy



Maternity, adoption and shared parental leave

New for 1 August 2021

EP350.1 - Clarification: To reflect that a break in learning must be used where the individual has agreed, with their employer and provider, to take a break of 4 weeks or more from their apprenticeship (with or without a break from work) but plans to return to the programme in the future.

Maternity leave

EP345 An apprentice may carry out up to 10 days' work for her employer without bringing her maternity leave period to an end (referred to as keeping in touch or KIT days).

- EP345.1** If an apprentice wishes to use any of her 10 designated KIT days to continue apprenticeship training and / or assessment, including end-point assessment, they may do so.
- EP345.2** Apprentices will lose their entitlement to statutory maternity pay and may bring their statutory maternity leave to an end if they undertake more than 10 days' work (their KIT entitlement) during their maternity leave. This may not affect any contractual rights.
- EP345.3** Where KIT days are to be used for off-the job training during a period of maternity leave, you are required to agree in writing, with the apprentice and the employer, certain details (see paragraph EP349). A copy of this agreement is to be kept in the apprentice evidence pack.

Adoption leave

- EP346** An apprentice may carry out up to 10 days' work for their employer during their statutory adoption leave period without bringing their statutory adoption leave or adoption pay period to an end (referred to as keeping in touch or KIT days).
- EP346.1** Where KIT days are to be used for off-the job training during a period of adoption leave, you are required to agree in writing, with the apprentice and the employer, certain details (see paragraph EP349). A copy of this agreement is to be kept in the apprentice evidence pack.

Shared parental leave:

- EP347** An apprentice may work for up to 20 days during the shared parental leave period for each of their employers without bringing their leave to an end. These days are "shared parental leave in touch" (SPLIT) days. These are separate and additional to any KIT days during a period of maternity or adoption leave.
- EP347.1** Where SPLIT days are to be used for off-the job training during a period of shared parental leave, you are required to agree in writing, with the apprentice and the employer, certain details (see paragraph EP349). A copy of this agreement is to be kept in the apprentice evidence pack.

Paternal leave

- EP348** Statutory paternal leave is a maximum of 2 weeks. Any breaks of less than 4 weeks do not need to be reported to the ESFA. The expectation is that you would structure the off-the-job training delivery around any paternal leave allowing the apprentice to complete training as per the original plan.

The agreement

- EP349** Where an apprentice and employer wish to use KIT / SPLIT days to continue apprenticeship off-the-job training and / or assessment during a period of maternity, adoption or shared parental leave, you must complete the following agreement. This agreement must be signed by all 3 parties and must include:
- EP349.1** The apprentice's reason behind the request to continue apprenticeship training during KIT / SPLIT* days;

- EP349.2** The number of KIT / SPLIT* days intended to be used and the type of training and number of hours proposed to be undertaken on these days. Any training carried out any KIT / SPLIT day would constitute a day's work (and therefore one KIT / SPLIT day);
- EP349.3** The employer's support and endorsement of this use of KIT / SPLIT* days;
- EP349.4** The provider's support and endorsement of this arrangement;
- EP349.5** An acknowledgement by the apprentice that in undertaking training and / or assessment, including end-point assessment, on KIT / SPLIT* days this will impact on their entitlement to KIT / SPLIT* days as well as statutory maternity / adoption / shared parental* leave and pay (i.e. they may lose statutory maternity / adoption / shared parental* leave and pay if KIT / SPLIT* days are exceeded); and
- EP349.6** An agreement by the employer and provider in relation to the timing of KIT / SPLIT* days relative to the monthly payments that the provider will continue to receive if a break in learning is not utilised.
 - EP349.6.1** If there is a gap of 4 weeks or more between two KIT / SPLIT days, then a break in learning must be used to pause funding.

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

- EP350** The intention of the policy arrangements described in paragraphs EP345 to EP349 is to allow an apprentice with minimal training left (less than the available number of KIT days) to complete their apprenticeship during their leave or to allow for an incremental return to training prior to returning to the workplace (e.g. to train with a cohort prior to a return to the workplace).
 - EP350.1** A break in learning must be used where an individual agrees, with their provider and employer, to take a break of at least 4 weeks from their apprenticeship, (with or without a break from work), but plans to return to their apprenticeship in the future.
 - EP350.2** The maternity, adoption and shared parental leave policy and the use of KIT / SPLIT days is not designed to support sporadic activity during a long period of leave, and you must, where possible, avoid multiple breaks in learning.

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

- EP351** During a period of maternity / adoption / shared parental leave, only the off-the-job training that is delivered on the KIT / SPLIT day(s) can be included towards the minimum off-the-job training requirement. At all other times during the leave period, the apprentice is not 'working' and therefore off-the-job training must not be delivered during this time and must not be included in the minimum requirement.

Actions for the employer-provider to take

- EP352** If the apprentice is not intending to use any KIT / SPLIT days to continue off-the-job training during their period of maternity / adoption / shared parental leave, please follow the guidance for breaks in learning (see paragraph EP368). The break in learning would be used for the full period of maternity / adoption / shared parental leave.
- EP353** If the apprentice is intending to use KIT / SPLIT days to continue off-the-job training during their period of maternity / adoption / shared parental leave, please see paragraph EP369.

Changing to a new version of a standard

New for 1 August 2021

EP354 to EP367 - New rules: For when an existing apprentice wishes to move to a different version of the same standard.

New for 1 August 2021 – version 1

EP355, and EP360 to EP362 - Clarification: To reflect that you must consider the availability of an end-point assessment organisation before enabling an apprentice to move versions.

- EP354** The below funding rules apply where an existing apprentice wishes to move to a newer version of the same standard including those assigned new version costs under IfATE's revisions, adjustments and dispensations process.
- EP355** Apprentices on programme on the earlier version of a standard may transfer to the latest version of the same standard (that is where the ST number remains the same) at any stage within their apprenticeship subject to meeting the rules on end-point assessment (see paragraphs EP185 and EP187).
- EP355.1** Where an apprentice is on-programme on a standard which has been replaced with a new apprenticeship standard (that is with a new ST code), this would be treated as a change of programme.
- EP356** Where an apprentice wishes to move to a new version of a standard, this must be agreed by yourself (provider) the apprentice and their employer.
- EP356.1** You must make the apprentice and employer aware of the differences between the version of the apprenticeship the apprentice is registered on, in comparison to the one they are transferring to, in terms of the demands of the standards and the requirements of the end-point assessment plan.
- EP356.2** You must update both the apprenticeship agreement and the commitment statement to reflect this agreement.
- EP357** Where an apprentice changes version, you must make sure that the training and assessment they receive across the whole apprenticeship delivers occupational

competence in all aspects of the new standard version and enables them to pass the end-point assessment

- EP358** Apprentices must not move back to a previous version of the same standard once they have moved to a new version.
- EP359** Apprentices who are returning from a break in learning may return to the version of the standard they were on before their break in learning, even where it has been closed to new starts.
- EP360** If the apprentice is already registered with an end-point assessment organisation, you must:
- EP360.1** confirm with them that they will be approved and ready to deliver the end-point assessment for the new version by the time the apprentice requires it, before enabling the apprentice to move versions; and
 - EP360.2** inform them when the apprentice has transferred to a new version.
- EP361** If the apprentice is not registered with an end-point assessment organisation, or the existing end-point assessment organisation is unable to confirm that they will be approved and ready to deliver the end-point assessment for the new version by the time the apprentice requires it, you must ensure that an alternative end-point assessment organisation will be available and ready to deliver the end-point assessment for the new version before enabling the apprentice to move versions (subject to meeting the rules in EP185 and EP187).
- EP362** If no end point assessment organisation will be approved and available to deliver end-point assessment for the new version by the time the apprentice requires it, the apprentice must not transfer to the new version.
- EP363** Where an apprentice is moving versions, there will be no change to how their standard is recorded on the ILR; you must continue to record them on the ILR on the standard that they started on.
- EP364** Where the apprentice is funded through the apprenticeship service, you must use the Standards versioning functionality to assign the apprentice on to the new version. This functionality will be available from September 2021.
- EP365** You must make sure that the combined duration of the apprentice's time on the legacy version and the new version meets the apprenticeship minimum duration requirements.
- EP366** Where an existing apprentice moves versions, they will continue the same funding band that they started on.
- EP367** You may choose to change the cost of the new version. If the overall cost is more than the maximum allowed by the funding band for the standard that the apprentice started on, then you must pay in full the difference between the band maximum for the original standard and the total cost. This cannot be funded from the apprenticeship service account.

Summary of action following a change of circumstances

Actions to take where there is a break in learning where the apprentice requires a

break in their apprenticeship due to illness, parental leave, or other personal reasons

EP368 The employer-provider must:

- EP368.1** stop payments through their apprenticeship service account;
- EP368.2** review or update the duration of the break as necessary;
- EP368.3** reactivate the apprenticeship in their apprenticeship service account when the apprentice returns to learning;
- EP368.4** extend the practical period of the apprenticeship agreement as required;
- EP368.5** record the break and restart dates in the ILR; and
- EP368.6** calculate a revised price when the apprentice resumes learning and this must be entered on the ILR. If a different price had been entered previously on the apprenticeship service account, the revised price must also be entered here, to correspond with the ILR, entered after the apprentice returns from their break.

Effect on funding

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

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

EP369 The employer-provider must:

- EP369.1** Discuss and agree the agreement (see paragraph EP349) with the apprentice, including when KIT / SPLIT days will be used against when a break in learning will be used;
- EP369.2** When appropriate, record the break and restart dates in the ILR.
- EP369.3** When appropriate, re-plan the delivery when the apprentice resumes learning. This must be entered on the ILR.
- EP369.4** When appropriate, pause and un-pause payments through their apprenticeship service account;
- EP369.5** Update the apprenticeship documentation with any extended dates (apprenticeship agreement, commitment statement).

Effect on funding

Funding from an employer's apprenticeship service account or government-employer co-investment stops during a break in learning. Funding is capped across periods of learning

so that the overall earnings do not exceed the funding band maximum. Funding and additional payments recommence when the apprentice resumes their apprenticeship. Any additional payments already made are retained.

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

EP370 If there is a change of circumstance during the programme, in relation to the working hours of the apprentice, you must discuss and agree, with the apprentice, if this change has a material impact on the current training plan.

EP371 You must document this discussion, which must include:

- EP371.1** Whether the apprentice can continue to study for the same volume of off-the-job training hours per week;
- EP371.2** Whether off-the-job training can still be delivered within the new working hours of the apprentice and
- EP371.3** Whether the ability of the apprentice to undertake end-point assessment is impacted.
- EP371.4** Whether the programme is being changed as a result of this discussion.

EP372 Where all parties agree that there is no material impact on the current training plan, the employer-provider:

- EP372.1** Must not amend the apprenticeship documentation (apprenticeship agreement, commitment statement, contract for services) or the ILR

EP373 Where all parties agree that there is a material impact on the current training plan, the employer-provider must:

- EP373.1** Must agree with the apprentice how the change impacts on the duration.
 - EP373.1.1** If moving from full-time to part-time, please see paragraph EP34;
 - EP373.1.2** If moving from part-time to full-time, the programme must still meet the minimum duration and off-the-job training requirements.
- EP373.2** Must amend the apprenticeship documentation (apprenticeship agreement, commitment statement) to outline the new expected end date.
 - EP373.2.1** The off-the-job training hours that were agreed at the beginning of the programme do not change (unless, as part of the discussion, it is also agreed that additional training is appropriate because of the change of circumstance).

EP373.3 Must not amend the ILR (the planned learning end date on the ILR does not change once it is submitted (with the exception of a data input error at the beginning of the programme).

EP373.3.1 Note that there are no changes required to the apprenticeship service.

Effect on funding

Funding and additional payments remain unchanged.

Actions to take when there is a change in price where the employer-provider revises the training or assessment cost, or assessment cost is added after the start of the programme

EP374 The employer-provider must:

EP374.1 evidence the new actual cost;

EP374.2 confirm the new cost on the apprenticeship service. If funded by a transfer, both the sending and receiving employers will need to agree the new apprenticeship in the apprenticeship service;

EP374.3 revise agreements and / or the commitment statement as required; and

EP374.4 update the price on the ILR.

Effect on funding

After applying the funding band limit, we will hold 20% of the new total price back as the completion payment and deduct any funding already received. The remainder will be spread equally over the remaining planned duration. Additional payments are unaffected.

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

EP375 The employer-provider must:

EP375.1 stop payments through their apprenticeship service account, using a stop date that corresponds with the date the apprentice has withdrawn from their programme. This includes where the apprenticeship is funded by a transfer; and

EP375.2 record the learning end date of the apprenticeship on the ILR.

Effect on funding

Funding from your apprenticeship service account or government-employer co-investment stops. Any balancing payments may be made by us. All additional payments stop until the apprentice resumes their apprenticeship. Any additional payments already made are retained.

Action to take where the apprentice starts a new role with the same employer-provider and requires a different apprenticeship programme

EP376 The employer-provider must:

- EP376.1** calculate a new price for training and assessment for the new apprenticeship, taking into account relevant learning from the first apprenticeship; and
- EP376.2** enter the details of the new programme, price and effective date on the apprenticeship service. If funded by a transfer, both the sending and receiving employers will need to agree the new apprenticeship in the apprenticeship service.

Effect on funding

Funding from your apprenticeship service account or government co-investment for the first programme stops. Any balancing payments may be made by us.

Funding from your apprenticeship service account or government co-investment for the second programme is made for the new programme. Each programme price is capped separately. Additional payments are received once for each apprenticeship.

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

Action to take where the apprentice changes employer but continues the same apprenticeship

EP377 As an employer-provider, you can only train your own staff and therefore where the apprentice changes employer but continues the same apprenticeship, they can no longer be trained by you.

EP377.1 You must stop payments through your apprenticeship service account, using a stop date that corresponds with the date the apprentice changed employer. This includes where the apprenticeship is funded by a transfer.

EP377.2 Where you are on the register of apprenticeship training providers as a main provider please refer to the apprenticeship funding rules for main providers to see the actions to take where an apprentice changes employers but continues the same apprenticeship with the same provider.

EP378 If the apprentice finds a new employer then this new employer is responsible for securing a new provider to transfer the apprentice to, assuming both parties want to continue with the apprenticeship. The new employer or employer-provider must:

EP378.1 agree a price for the remainder of the apprenticeship training and assessment taking into account relevant learning from the first employer. This price must be recorded in the ILR as a 'residual' price;

- EP378.2** register the apprentice on the apprenticeship service, if appropriate, for funding to start;
- EP378.3** confirm arrangements for, and start paying, co-investment if appropriate; and
- EP378.4** contact us if they are unable to register the apprentice on the apprenticeship service.
- EP378.5** if the apprenticeship is now being funded by a transfer, or continuing to be funded by a transfer, then the receiving (new) employer will need to register on the apprenticeship service and the transfer will need to be agreed by the sending employer. For more information on how transfers work, please refer to the 'Apprenticeships funded by transfer of levy funds' section

EP379 The provider must not draw down funds from an apprenticeship service account or government co-investment for delivery which the ESFA has already paid for with the first employer.

Effect on funding

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

Additional payments stop for the first employer, but they retain any payments already made. The number of days in learning with the first employer are added to the days in learning with the new employer to calculate when payments are due.

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

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

EP380 The employer-provider must stop payments from their apprenticeship service account, using a stop date that corresponds with the date the apprentice is made redundant. This includes where the apprenticeship is funded by a transfer.

EP381 The employer-provider must:

- EP381.1** support the apprentice to find a new job;
- EP381.2** retain evidence of when the apprentice was made redundant, and report the change in employment status to us; and
- EP381.3** refer to the scenario at paragraph EP377 for action to take with the new employer.

Effect on funding

Funding from the first employer's apprenticeship service account stops. Any employer co-investment due from the first employer must be reconciled to the date of the apprenticeship agreement is terminated by reason of redundancy.

The apprentice is funded through 100% government co-investment for the remainder of their programme. Employer additional payments stop. Provider additional payments remain unchanged.

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

EP382 The employer-provider must stop payments from their apprenticeship service account, using a stop date that corresponds with the date the apprentice is made redundant. This includes where the apprenticeship is funded by a transfer.

EP383 The employer-provider must:

EP383.1 support the apprentice to find a new job (within 12 weeks);

EP383.2 retain evidence of when the apprentice was made redundant, and report the change in employment status to us;

EP383.3 where the apprentice is withdrawn, record the withdrawal reason as redundancy and issue the apprentice with a 'record of apprenticeship part-completion' and

EP383.4 refer to the scenario at paragraph EP377 for action to take with the new employer.

Effect on funding

Funding from the first employer's apprenticeship service account stops. Any employer co-investment due from the first employer must be reconciled to the date of the apprenticeship agreement is terminated by reason of redundancy.

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

Evidence requirements

Evidence pack

EP384 You must hold evidence to assure us that you are using the funding appropriately. Most evidence will occur naturally from your normal business process. If evidence is not available funding may be at risk.

EP385 The evidence pack must contain evidence to support the funding claimed, assure us that the apprentice exists and must be available to us if we need it.

EP386 The apprentice and / or you must confirm the information they provide is correct when it is collected. You must have evidence of this, which can include electronic formats.

EP387 Where information is held centrally, you only need to refer to the source.

Introduction

EP388 The evidence pack must include the following:

EP388.1 Evidence of approval from a regulatory body where a training provider needs to be approved by a regulatory body before delivering apprenticeship training.

Programme eligibility

New for 1 August 2021

EP389.1 - New rules: To reflect the evidence requirements for initial assessment.

What is an apprenticeship (see paragraphs EP21 to EP24)

EP389 The evidence pack must include the following:

EP389.1 An initial assessment that meets the criteria set out in paragraph EP22, namely that it includes as a minimum,

EP389.1.1 Identification and recognition of the individual's relevant prior learning (see paragraphs EP58 to EP63)

EP389.1.2 relevant diagnostic testing (where required)

EP389.1.3 the identification of any learning support needs (see paragraphs EP82 to EP90)

EP389.2 The results of the initial assessment you carry out must confirm that:

EP389.2.1 the individual requires significant new knowledge, skills and behaviours to be occupationally competent in their job role;

- EP389.2.2** the training programme aligns with an approved apprenticeship standard, at the most appropriate level;
- EP389.2.3** identification and recognition of prior learning has taken place and the programme content, duration and price has been appropriately reduced;
- EP389.2.4** the required training meets the funding rules relating to the minimum duration of the practical period (paragraphs P37 to P47) and the minimum threshold of off-the-job training (paragraph P52);
- EP389.2.5** you are satisfied that the apprenticeship is the most appropriate training programme for the individual;
- EP389.2.6** the job role being undertaken by the apprentice, has a productive purpose
- EP389.2.7** you are providing the apprentice with the appropriate support and supervision to carry out their job role and their apprenticeship.

Apprenticeship agreement (see paragraphs EP25 to EP26)

EP390 The evidence pack must include the following:

- EP390.1** A copy of the apprenticeship agreement that meets the criteria set out in paragraph EP26.1, namely that it evidences:
 - EP390.1.1** the apprentice's details (name, place of work)
 - EP390.1.2** the apprenticeship standard and level being followed
 - EP390.1.3** the start and end date of the apprenticeship (including end-point assessment)
 - EP390.1.4** the start and end date of the practical period (excluding the end-point assessment)
 - EP390.1.5** the duration of the practical period (see paragraphs EP30 to EP39 re minimum duration)
 - EP390.1.6** the amount of time the apprentice will spend in off-the-job training

Alternative English apprenticeship (see paragraphs EP27 to EP28)

EP391 The evidence pack must include the following:

- EP391.1** Evidence that the apprentice meets the conditions of an alternative English apprenticeship. In the case of redundancy, such evidence may be a copy of the apprentice's dismissal notice from the employer, which cites the reason for dismissal as redundancy. In the absence of a notice of dismissal, other evidence which allows one reasonably to conclude

that the apprentice has been made redundant would also be acceptable (e.g. an email informing employees that the business is closing, or other evidence that the business with whom the apprentice had an apprenticeship agreement with has recently closed). See the Glossary definition for the situations which amount to redundancy in law.

Wages (see paragraph EP29)

EP392 The evidence pack must include the following:

EP392.1 Confirmation that the apprentice is receiving a wage in line with the national minimum wage requirements and that the apprentice rate was not used prior to a valid apprenticeship agreement being in place. This confirmation can either be a copy of the employment terms and conditions or a written statement regarding wages on the signed commitment statement.

Minimum duration of practical period (see paragraphs EP30 to EP39)

EP393 The evidence pack must include the following:

EP393.1 Evidence that following an initial assessment the individual requires an apprenticeship practical period with a minimum duration of 12 months with at least 20% off-the-job training.

EP393.2 Evidence that where the apprentice works part-time (less than 30 hours per week) or is on a zero hours contract, the minimum duration has been extended as required.

EP393.3 Evidence that for the circumstances described in paragraph EP38, the total amount of time spent on the apprenticeship, which may include more than one episode of learning, meets the minimum duration requirement.

Off-the job training (see paragraphs EP40 to EP57)

EP394 The evidence pack must include the following:

EP394.1 How the planned hours for off-the-job training have been calculated. It must be clear that prior learning has been taken into account, where relevant.

EP394.2 Evidence that the planned hours have been documented on the apprenticeship agreement, commitment statement and the ILR and that the figures align.

EP394.3 Evidence that delivery has taken place and by this, we mean a volume of off-the-job training hours and evidence that what was delivered meets the definition of off-the-job training (the four tests):

EP394.3.1 That the activity is directly relevant to the apprenticeship

EP394.3.2 That the activity is teaching new knowledge, skills and behaviours

EP394.3.3 That the activity is taking place in the apprentice's normal working hours (once the apprentice has been engaged onto the programme)

EP394.3.4 That the activity is not English and maths up to Level 2

EP394.4 Evidence that actual hours have been documented on the ILR and that the proof of delivery in the evidence pack corresponds with the value entered.

EP394.5 Evidence that where the volume of off-the-job training hours delivered is less than the original volume of planned hours (agreed at the beginning of the programme), there is statement on file to explain the difference. This statement must summarise volume changes to the commitment statement since the beginning of the programme and must be countersigned by the employer and apprentice to show whether they are satisfied with the quantity of training delivery (even though it is different to the volume agreed at the beginning of the programme) (see paragraph EP55).

EP394.5.1 You are also advised to keep information on the training content delivered and the distance travelled by the apprentice (what has been achieved by the apprentice as a result of the off-the-job training); whilst this is outside the scope of an ESFA funding audit, it may be required by other parties (such as Ofsted and OfS).

Recognition of prior learning (see paragraphs EP58 to EP63)

New for 1 August 2021

EP395 - Clarification: To reflect evidence requirements for recognition of prior learning.

New for 1 August 2021 – version 1

EP395.4 - Clarification: We have made revisions to aid further clarity.

EP395 The evidence pack must include the following:

EP395.1 Evidence that you have recognised prior learning, and experience, and assessed the apprentice's current competence against the knowledge, skills and behaviours required to achieve the standard.

EP395.2 Where recognition of prior learning affects the learning or the funding of any of the apprenticeship that you have proportionately adjusted the content, duration and price accordingly.

EP395.3 This must include your assessment of (where relevant):

EP395.3.1 Work experience;

EP395.3.2 Prior education, training or associated qualification(s) in a related subject area (this must be more than English and maths); and

EP395.3.3 Any previous apprenticeship taken.

EP395.4 Evidence that you have accounted for any prior learning, and that where it affects the learning or the funding of any of the apprenticeship that you have detailed the adjustments to the content, duration and price accordingly and why you consider these proportionate. In instances where the price content and duration has not been reduced the reasons why this is not possible.

Commitment statement (see paragraphs EP64 to EP66)

New for 1 August 2021

EP396.3 - Clarification: to reflect the evidence requirements for progress reviews.

EP396 The evidence pack must include the following

EP396.1 A copy of the current commitment statement signed and dated by the apprentice, employer, and main provider (and any previous versions). The commitment statement must meet the criteria set out in paragraph EP66, for example it must include details of how the planned number of off-the-job training hours, excluding English and maths, has been quantified and how it will be delivered. By details we mean a schedule of delivery.

EP396.2 Written confirmation from the employer that the apprentice will be allowed to complete the apprenticeship within their working hours, including any English and maths required.

EP396.3 Evidence of progress reviews (planned and actual, including the outcome or actions of the reviews).

Who can be funded (including learner eligibility and learning support)

Learner eligibility

EP397 The evidence pack must include the following:

EP397.1 Confirmation of date of birth to ensure that the apprentice is aged over 15 and confirmation that the apprentice has legally left school. [The school leaving age](#) can be found on GOV.UK.

EP397.2 Confirmation that you have seen the learner's identity documents or immigration permission to verify their residency eligibility in line with Annex A. Confirmation that you are satisfied the learner is eligible for funding and (where necessary) where a learner's permission to stay has expired you must hold evidence that an application to remain has been made.

- EP397.3** Your assessment and evidence of eligibility for funding and a record of what evidence the apprentice has provided, including that the apprenticeship leads to substantive new skills and that the learning is materially different where the apprenticeship is at the same level as, or lower level than, prior qualifications. This assessment must include an analysis of the apprentice's existing knowledge, skills and behaviours versus those required to complete the apprenticeship. This also includes evidence of prior attainment for English and maths. This evidence could include the following:
- EP397.3.1** information from the apprentice's personal learning record, where this information is unavailable or an apprentice is unable to provide evidence of prior attainment please refer to [GOV.UK](https://www.gov.uk);
 - EP397.3.2** evidence of proof of equivalency from [UK ENIC](https://www.ukenics.com) where an individual has an international qualification;
 - EP397.3.3** details of previous qualifications, including modules / units undertaken compared to the content of the apprenticeship, demonstrating how they are materially different where appropriate;
 - EP397.3.4** skills gap analysis, demonstrating the new skills needed by the individual and how the apprenticeship will address these; or
 - EP397.3.5** details of any relevant experience and achievements, both inside and outside their current working role.
- EP397.4** Evidence that the apprentice will spend at least 50% of their working hours in England over the duration of the apprenticeship including time spent on off-the-job training. Where the business footprint is larger than England this could include a roster for a typical month for the apprentice along with written confirmation from the employer.
- EP397.5** Confirmation that the apprentice is not;
- EP397.5.1** enrolled on another apprenticeship
 - EP397.5.2** enrolled on a DfE funded HE / FE programme (excluding AEB) where that programme is more than 4 weeks from completion
 - EP397.5.3** enrolled on an AEB funded programme where that programme does not comply with rules EP79.

EP398 To support the evidence pack you must confirm the type of evidence you have seen to satisfy that apprentices meet all eligibility criteria.

Apprentices accessing learning support

New for 1 August 2021 - Version 1

EP399 - Following consultation with provider representatives and other stakeholders, we have substantially amended this section.

EP399 Where learning support funding has been claimed, the evidence pack must include the following:

- EP399.1** Evidence that an assessment to identify the reasonable adjustments that the apprentice requires has been carried out (see paragraphs EP84 and EP85). This evidence must include:
 - EP399.1.1** A copy of the assessment which identifies the apprentice's learning difficulty or disability;
 - EP399.1.2** Details of the reasonable adjustments necessary to enable the apprentice to complete the apprenticeship on which they are enrolled; and
 - EP399.1.3** A documented assessment of how progress towards the completion of the apprenticeship would be directly impacted without the reasonable adjustments being put in place for the apprentice.
- EP399.2** Documented evidence of how you plan to deliver the necessary reasonable adjustments throughout the apprenticeship. This plan is to be agreed and signed-off by the apprentice.
- EP399.3** For months where learning support funding is claimed, provide evidence and documented details of the necessary reasonable adjustments that have been delivered in that period (learning support funding will only be paid in the months where the reasonable adjustments are required and are being delivered)
- EP399.4** Documented evidence of monthly progress reviews throughout the apprenticeship to ensure that reasonable adjustments are necessary in respect of the content of training, English and maths tuition and/or end point assessment at different points during the apprenticeship. This evidence will need to confirm the effectiveness of the reasonable adjustments and how these have been adapted where necessary.
- EP399.5** Additional information where exceptional learning support (ELS) is claimed for an apprentice. In these circumstances, you must also include the application and supporting evidence for the claim – which includes details of the reasonable adjustments and the actual costs incurred.

What can be funded

Eligible and ineligible costs (see paragraphs EP94 to EP103)

EP400 You must include in your evidence:

EP400.1 A breakdown of the total negotiated price (TNP1), associated with the delivery of training and on-programme assessment, against the headings of any of the eligible costs listed in EP98 (teaching, consumables, assessment, administration as a minimum). This breakdown must not include any ineligible cost and must not include the cost of end-point assessment.

EP400.1.1 As an employer-provider only actual costs of delivery are permitted.

EP400.2 The agreed price for end-point assessment (if known) (that will be entered into field TNP2 on the ILR). This is the price that you, as the employer, has negotiated with an end-point assessment organisation.

EP400.3 Where the total negotiated price changes, the reason for this change.

Additional payments (including the incentive payment for hiring a new apprentice and care-leaver bursary)

EP401 Where applicable, the evidence pack must include the following:

EP401.1 Confirmation of eligibility for any additional payments, including an email or letter confirmation from a personal advisor or local authority confirming the individual's care leaver status or evidence of an education, health and care (EHC) plan where the apprentice is aged between 19 and 24 years old. Eligibility evidence must include:

EP401.1.1 Confirmation of age (where appropriate)

EP401.1.2 Evidence of care leaver status (where appropriate) in line with EP106

For incentive payments for hiring a new apprentice from 1 April 2021 to 30 September 2021:

EP401.2 Confirmation of eligibility in respect of each incentive payment for hiring a new apprentice you have received.

EP401.3 The evidence must support the funding claimed, assure us that the apprentice exists and is a new recruit to your business, and must be made available to us if we request it.

EP401.4 The evidence must include in respect of each incentive payment for hiring a new apprentice:

EP401.4.1 confirmation of the apprentice's date of birth.

EP401.4.2 a copy of the apprenticeship agreement.

EP401.4.3 a copy of the apprentice's employment contract (if different from the apprenticeship agreement), including their start date. You must enter the apprentice's

employment start date when submitting your claim on the apprenticeship service.

EP401.4.4 confirmation they were a new employee i.e. not have had a contract of employment with you (or connected company or charity) within the six months up to but not including 1 April 2021. This could include evidence from payroll and / or vacancy adverts and recruitment documentation

EP401.4.5 if relevant, confirmation that the apprentice was previously employed by you, under the Kickstart Scheme.

EP401.4.6 if relevant, confirmation that the apprentice had previously been made redundant from an apprenticeship starting before 1 April 2021. This may be a copy of the apprentice's dismissal notice from the employer, which cites the reason for dismissal as redundancy. In the absence of a notice of dismissal, other evidence which allows one reasonably to conclude that the apprentice has been made redundant would also be acceptable (e.g. an email informing employees that the business is closing, or other evidence that the business with whom the apprentice had an apprenticeship agreement with has recently closed). See the Glossary definition for the situations which amount to redundancy in law.

For incentive payments for hiring a new apprentice from 1 October 2021 to 31 January 2022:

EP401.5 Confirmation of eligibility in respect of each incentive payment for hiring a new apprentice you have received.

EP401.6 The evidence must support the funding claimed, assure us that the apprentice exists and is a new recruit to your business, and must be made available to us if we request it.

EP401.7 The evidence must include in respect of each incentive payment for hiring a new apprentice:

EP401.7.1 confirmation of the apprentice's date of birth.

EP401.7.2 a copy of the apprenticeship agreement.

EP401.7.3 a copy of the apprentice's employment contract (if different from the apprenticeship agreement), including their start date. You must enter the apprentice's employment start date when submitting your claim on the apprenticeship service.

EP401.7.4 confirmation they were a new employee i.e. not have had a contract of employment with you (or connected company or charity) within the six months up to but not

including 1 October 2021. This could include evidence from payroll and / or vacancy adverts and recruitment documentation

EP401.7.5 if relevant, confirmation that the apprentice was previously employed by you, under the Kickstart Scheme.

EP401.7.6 if relevant, confirmation that the apprentice had previously been made redundant from an apprenticeship starting before 1 October 2021. This may be a copy of the apprentice's dismissal notice from the employer, which cites the reason for dismissal as redundancy. In the absence of a notice of dismissal, other evidence which allows one reasonably to conclude that the apprentice has been made redundant would also be acceptable (e.g. an email informing employees that the business is closing, or other evidence that the business with whom the apprentice had an apprenticeship agreement with has recently closed). See the Glossary definition for the situations which amount to redundancy in law.

EP401.8 For the care leavers bursary, a signed declaration by the apprentice to confirm that they:

EP401.8.1 understand that they are eligible for and would like to receive a bursary as a care leaver;

EP401.8.2 understand that if they have been found to have accepted the payment incorrectly or when they are ineligible then government will require it to be repaid; and

EP401.8.3 have not been paid a care leavers bursary before.

EP401.9 Evidence of payment to the apprentice where they receive the care-leaver bursary and forwarded within 30 days. This must be a confirmation from the apprentice and not only a receipt of transaction.

EP401.10 Evidence and copies of receipts for any additional payments you claim.

Support for English and maths

New for 1 August 2021

Clarification: To remove reference to the Functional Skills Qualifications temporary flexibilities which have now ended.

EP402 Where applicable, the evidence pack must include the following:

EP402.1 Details of how English and maths will be delivered, including a plan of delivery and evidence of delivery taking place against that plan.

- EP402.2** All initial assessments for English and maths, including evidence of prior attainment.
- EP402.3** Additional information where the apprentice is assessed as exempt from the normal English and maths requirements. In these circumstances you must also include:
- EP402.3.1** a copy of the authorisation by an appropriate professional, for example the head of special education needs (SEN) or student support;
 - EP402.3.2** evidence of how the apprentice's learning difficulty or disability affects their English and / or maths abilities;
 - EP402.3.3** the apprentice's recommended learning plan to achieve entry level 3 in English and / or maths (as appropriate); and
 - EP402.3.4** the apprentice's education, health and care (EHC) plan, statement of special educational need (SEN), or learning difficulty assessment (LDA).

Paying for an apprenticeship

New for 1 August 2021

EP403.5 - New Rule: Requirement to hold information on who the sending employer is for transfer funded apprenticeships.

EP403 The evidence pack must include the following:

- EP403.1** The supporting evidence about why you have claimed funding and the level of funding for an apprentice, it must be clear only eligible costs have been included in the price.
- EP403.2** Copies of any subsidy control declarations where applicable.
- EP403.3** Evidence of the written agreement with and payments made to the end-point assessment organisation for conducting the end-point assessment where appropriate.
- EP403.4** Evidence that you are paying for apprenticeship training above the funding band maximum.
- EP403.5** Where the apprenticeship is being funded by a transfer of levy funds, you must hold confirmation of who the sending employer is.

Subcontracting

EP404 Where applicable, the evidence pack must include the following:

- EP404.1** details of any subcontractor, clearly identifying who they are. This must match the information reported to us in the ILR; and

EP404.2 a legally binding contract with each subcontractor.

End-point assessment

EP405 The evidence pack must include records and evidence of completion. This must be available within three months of you reporting it in the ILR. Evidence of completion would include:

EP405.1 signed statement that the apprentice meets the gateway requirements and is ready to undertake end-point assessment;

EP405.2 signed statement that the apprentice is still employed until the end-point assessment is completed;

EP405.3 a copy of the contract between you and the EPAO for the apprentice's end-point assessment; and

EP405.4 evidence of payments made to the end-point assessment organisation for conducting the end-point assessment.

Change of circumstances

Redundancy (see paragraphs EP343 to EP344)

EP406 Where appropriate, the evidence pack must include the following:

EP406.1 Evidence that the apprentice meets the conditions of an alternative English apprenticeship. In the case of redundancy such evidence may be a copy of the apprentice's dismissal notice from the employer, which cites the reason for dismissal as redundancy. In the absence of a notice of dismissal, other evidence which allows one reasonably to conclude that the apprentice has been made redundant would also be acceptable (e.g. an email informing employees that the business is closing, or other evidence that the business with whom the apprentice had an apprenticeship agreement has recently closed). See the Glossary definition for the situations which amount to redundancy in law.

EP406.2 Evidence that you have made reasonable efforts to find the apprentice a new employer.

EP406.3 Where an apprentice is withdrawn because they have been unable to find a new employer, you must record the withdrawal reason as redundancy and you must provide a 'record of apprenticeship part-completion' to support the individual to find new employment. This record must include, as a minimum:

EP406.3.1 the apprentice details,

EP406.3.2 the level and subject,

EP406.3.3 the start date and planned end date,

EP406.3.4 the percentage of the apprenticeship completed,

- EP406.3.5** a summary of the knowledge, skills and behaviours that you consider they have developed and evidenced,
- EP406.3.6** in the case of apprenticeships with mandatory qualifications, the qualification, or units thereof, achieved.

Maternity, adoption, shared parental leave (see paragraphs EP345 to EP353)

EP407 Where appropriate, the evidence pack must include the following:

- EP407.1** A copy of the agreement, signed by you, the employer and the apprentice, that complies with the detail in paragraph EP349, namely:
 - EP407.1.1** The apprentice's reason behind the request to continue apprenticeship training during KIT / SPLIT* days and details of how they would meet their training objectives;
 - EP407.1.2** The number of KIT / SPLIT* days being used and the employer's support and endorsement of this use of KIT / SPLIT* days;
 - EP407.1.3** The provider's support and endorsement of this arrangement;
 - EP407.1.4** An acknowledgement by the apprentice that in undertaking training and / or assessment, including end-point assessment, on KIT / SPLIT* days this impacts on their entitlement to KIT / SPLIT* days as well as statutory maternity / adoption / shared parental* leave and pay (i.e. they may lose statutory maternity / adoption / shared parental* leave and pay if KIT / SPLIT* days are exceeded); and
 - EP407.1.5** An agreement by the employer and provider in relation to the timing of KIT / SPLIT* days relative to the payments that the provider will continue to receive monthly if a break in learning is not utilised. For example, it may be appropriate once the maximum number of KIT / SPLIT* days are used to still use a break in learning to temporarily stop payments to the provider.

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

Confirmation and signatures

- EP408** We accept electronic evidence, including electronic / digital signatures. Where evidence is electronic, you must have wider systems and processes in place to assure you that apprentices exist and are eligible for funds.
- EP409** Where an electronic or digital signature is being held, from any party for any reason, you must ensure it is non-refutable. Systems and processes must be in place to assure to us that the original signature has not been altered. Where any document

needs to be renewed, and a new signature taken, it must be clear from when the new document takes affect, and both must be held.

Both electronic and digital signatures are acceptable, we do not specify which must be used, only that a secure process to obtain and store signatures is followed:

EP409.1 An electronic signature is defined as any electronic symbol or process that is associated with any record or document where there is an intention to sign the document by any party involved. An electronic signature can be anything from a check box to a signature.

EP409.2 A digital signature is where a document with an electronic signature is secured by a process making it non-refutable. It is a digital fingerprint which captures the act of signing by applying security to a document. Usually documents which have a digital signature embedded are extremely secure and cannot be accessed or amended easily.

EP410 You must keep effective and reliable evidence. You are responsible for making the evidence you hold easily available to us when we need it.

Individualised learner record (ILR)

EP411 The evidence pack must include all information reported to us in the ILR and the earnings adjustment statement (EAS), and if it applies, the supporting evidence for the data you report.

EP412 You must accurately complete all ILR fields for an apprentice as required in the ILR specification, even if they are not used for funding. Where your data does not support the funding you have claimed, we will take action to get this corrected and could recover funds.

EP413 The ILR must accurately reflect what has happened. You must not report inaccurate information even where you perceive that this would result in a more equitable claim for funding or accurate record of performance.

Self-declarations

EP414 Where a self-declaration is needed, this must state the apprentice or employer's details and describe what is being confirmed.

Annex A: Eligibility criteria (who we fund)

New for 1 August 2021

EP416 - Update: Changes to ordinary residence criteria for UK nationals

EP417 - Update: Changes to ordinary residence criteria for citizens with the Right of Abode

EP418 - New Rule: A new residency category has been added for UK nationals who have been living in the EEA.

EP419 to EP420 - New Rule: A new residency category has been added for EEA nationals in the UK nationals (this replaces the EEA citizens section).

EP421 - New Rule: A new residency category has been added for Non-UK nationals (this replaces the Non-EEA citizens section).

EP423 to EP424 - New Rule: A new residency category has been added for family members of UK and EEA nationals (this replaces the family members of EEA nationals section).

EP425.10 - New Rule: A new residency category which is exempt from the three-year residency rule has been added.

EP426 to EP427 - New Rule: New rules have been added to explain which family members of nationals with Calais Leave of leave under section 67 can be eligible for funding.

EP431 - Update: Updates to the Child of a Turkish Worker section to reflect end date of agreement.

EP441 to EP444 - Update: Updates to the list of British Overseas Territories and EEA Countries we use for establishing eligibility.

New for May 2022

EP425.7 to EP425.9- New Rule: New rules have been added to reflect that Ukrainians and their family members supported through the Ukraine Family Scheme, Ukraine Sponsorship Scheme and Ukraine Extension Scheme are immediately eligible for apprenticeship funding and are exempt from the 3-year residency requirement rule.

EP415 To use funds in the employer's apprenticeship service account or government-employer co-investment, the individual must have a valid and eligible residency status.

UK nationals

EP416 UK nationals are eligible for funding if they:

EP416.1 have been ordinarily resident in the UK, the [British Overseas Territories](#), or Crown Dependencies (Channel Islands and Isle of Man) for at least the previous three years before the start of the apprenticeship.

Right of Abode in the UK

EP417 The right of abode is a status under United Kingdom immigration law that gives an unrestricted right to live in the United Kingdom. It was introduced by the Immigration Act 1971. Individuals with the right of abode are eligible for funding if they:

EP417.1 have been ordinarily resident in the UK, the [British Overseas Territories](#), or Crown Dependencies (Channel Islands and Isle of Man) for at least the previous three years before the start of the apprenticeship.

UK nationals in the EEA

EP418 In line with the [government guidance](#), UK nationals who have been living in the EEA prior to their apprenticeships are eligible for funding if they:

EP418.1 have been ordinarily resident in the EEA for at least the previous three years before the start of the apprenticeship; or

EP418.2 have been ordinarily resident in a combination of the UK and EEA for at least the previous three years before the start of the apprenticeship.

EEA nationals in the UK

EP419 Irish nationals are eligible for funding if they:

EP419.1 have been ordinarily resident in the UK, Ireland, or the EEA for at least the previous three years before the start of the apprenticeship.

EP420 All other EEA nationals are eligible for funding if they:

EP420.1 have obtained either pre-settled or settled status under the EU Settlement Scheme;

EP420.2 have been ordinarily in the EEA, Gibraltar, or the UK for at least the previous three years before the start of the apprenticeship.

Non-UK nationals

EP421 A non-UK national (with exception to those that fall into the categories above) is eligible for funding if they have permission from the UK government to live in the UK (not for educational purposes) and have been ordinarily resident in the UK for at least the previous three years before the start of the apprenticeship.

Family members of UK and EEA nationals

EP422 Family members of UK nationals are eligible for funding if:

EP422.1 They (the family member) have been ordinarily resident in the UK or EEA for at least the previous three years before the start of the apprenticeship.

EP423 Family members of EEA nationals who have obtained pre-settled or settled status under the EU Settlement Scheme are eligible for funding if they:

EP423.1 They (the family member) have been ordinarily resident in the UK or EEA for at least the previous three years before the start of the apprenticeship.

EP424 A 'family member' is the husband, wife, civil partner, child, grandchild, dependent parent or grandparent of a UK or EEA national.

Individuals with certain types of immigration status and their family members

EP425 Any individual with any of the statuses listed below, is eligible to receive funding and is exempt from the three-year residency requirement rule. You must have seen the individual's immigration permission (see paragraph EP397.2) in these circumstances:

EP425.1 refugee status;

EP425.2 discretionary leave to enter or remain;

EP425.3 exceptional leave to enter or remain;

EP425.4 indefinite leave to enter or remain;

EP425.5 humanitarian protection;

EP425.6 leave outside the rules;

EP425.7 Ukraine Family Scheme

EP425.8 Ukraine Sponsorship Scheme (Homes for Ukraine)

EP425.9 Ukraine Extension Scheme

EP425.10 Afghan locally engaged staff under the intimidation policy;

EP425.11 the husband, wife, civil partner and child of any of the above in this paragraph (that is paragraphs EP425.1 to EP425.10);

EP425.12 section 67 of the Immigration Act 2016 leave; or

EP425.13 Calais leave to remain.

EP426 A child of a person who has received leave under section 67 of the Immigration Act 2016 will be eligible in line with rule EP425.12 where they have been granted "leave in line" by virtue of being a dependent child of such a person.

EP427 A child of a person who has received Calais leave to remain will be eligible in line with rule EP425.13 where they have been granted "leave in line" by virtue of being a dependent child of such a person.

EP428 The individual's immigration permission in the UK may have a 'no recourse to public funds' condition. This does not include education or education funding, so this does not affect an individual's eligibility, which must be decided under the normal eligibility conditions.

Asylum seekers

EP429 Asylum seekers are eligible to receive funding if they:

- EP429.1** have lived in the UK for six months or longer while their claim is being considered by the Home Office, and no decision on their claim has been made; or
- EP429.2** are in the care of the local authority and are receiving local authority support under section 23C or section 23CA of the Children Act 1989 or section 21 of the National Assistance Act 1948.

EP430 An individual who has been refused asylum will be eligible if they:

- EP430.1** have appealed against a decision made by the UK government against granting refugee status and no decision has been made within six months of lodging the appeal; or
- EP430.2** are granted support for themselves under section 4 of the Immigration and Asylum Act 1999; or
- EP430.3** they are in the care of a local authority and are receiving local authority support for themselves under section 23C or section 23CA of the Children Act 1989.

Children of Turkish workers

EP431 A child of a Turkish worker is eligible if:

- EP431.1** the Turkish worker was ordinarily resident in the UK on or before 31 December 2020 and has Turkish European Community Association Agreement (ECAA) rights or extended ECAA leave;
- EP431.2** the Turkish worker is, or has been, lawfully employed in the UK; and
- EP431.3** the child has been ordinarily resident in the EEA and / or Turkey for the full three-year period before the start of their programme and is resident in the UK on or before 31 December 2020.

Persons granted stateless leave

EP432 A person granted stateless leave is a person who has:

- EP432.1** Extant leave to remain as a stateless person under the immigration rules (within the meaning given in section 33(1) of the Immigration Act 1971).
- EP432.2** Been ordinarily resident in the UK and Islands throughout the period since the person was granted such leave. The UK and Islands are England, Scotland, Wales, Northern Ireland, the Channel Islands and the Isle of Man.

EP433 A stateless person must:

EP433.1 be ordinarily resident in the UK on the first day of the apprenticeship; and

EP433.2 have been ordinarily resident in the UK and Islands throughout the three-year period preceding the first day of the apprenticeship.

EP434 Certain family members are also eligible under this category:

EP434.1 the spouse or civil partner of a person granted stateless leave (and who was the spouse or civil partner of that person on the leave application date), who is ordinarily resident in the UK on the first day of the apprenticeship, and who has been ordinarily resident in the UK and Islands throughout the three-year period preceding the first day of the apprenticeship; or

EP434.2 the child of a stateless person or of the stateless person's spouse or civil partner (and who was the child of that stateless person or the child of the stateless person's spouse or civil partner on the leave application date), was under 18 on the leave application date, is ordinarily resident in the UK on the first day of the apprenticeship and has been ordinarily resident in the UK and Islands throughout the three-year period preceding the first day of the apprenticeship.

EP435 'Leave application date' means the date on which a persons granted stateless leave made an application to remain in the UK as a stateless person under the immigration rules (within the meaning given in S33(1) of the Immigration Act 1971).

Immigration status

EP436 Any individual, or relevant family member, who has applied for an extension or variation of their current immigration permission in the UK is still treated as if they have that leave. Keeping this permission applies as long as the application was made before their current permission expired. Their leave continues until the Home Office make a decision on their immigration application.

EP437 An individual, or relevant family member, is considered to still have the immigration permission that they held when they made their application for an extension. Their eligibility would be based upon this status.

Those in the armed forces or outside of England

EP438 As an exception, we will also allow the following individuals to be funded from an employer's apprenticeship service account or using government-employer co-investment:

EP438.1 Armed forces and Royal Fleet Auxiliary personnel and their family members to undertake a statutory English apprenticeship wherever they are based.

EP438.2 Individuals of other nationalities serving as members of the British armed forces throughout their period of service, and their dependants living with them on their postings, in the same way as members of the British armed forces and their family members. This does not apply to

family members who do not join members of the armed forces and instead stay outside of England.

EP438.3 Members of other nations' armed forces stationed in England and their family members, where the family member has a right to work in the United Kingdom, if the armed forces' individual has been ordinarily resident in England for three years. We will not fund family members that stay outside of England.

EP438.4 Apprentices whose occupation involves significant travel outside of the UK as part of their job (such as in travel or tourism) or work offshore (such as on an oil platform) and they have an identified registered work location in England. You must not claim for the additional expense of delivering learning outside of England.

Further information for 16 to 18-year-olds

EP439 16 to 18-year-olds are eligible to be funded for an apprenticeship if any of the following clauses apply:

EP439.1 they are accompanying or joining parents who have the right of abode, leave to enter or leave to remain in the UK;

EP439.2 they are the children of diplomats;

EP439.3 they are the children of teachers coming to the UK on a teacher exchange scheme;

EP439.4 they are entering the UK (where not accompanied by their parents) and are British citizens;

EP439.5 they have a passport that has been endorsed to either show they have the right of abode in the United Kingdom or to show that they have no restrictions on working in the UK;

EP439.6 they are an asylum seeker;

EP439.7 they are placed in the care of the local authority; or

EP439.8 they meet the requirements for any other eligible category in this document.

EP440 You can find further information on eligibility from the UK Council for International Student Affairs ([UKCISA](#)).

Countries or areas where residency establishes eligibility for our funding

EP441 Individuals who are nationals of certain British Overseas Territories are eligible for funding, ensuring they comply with the three-year rule on residence in the UK. These are as follows:

- Anguilla
- Bermuda

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

EP442 For funding eligibility purposes, EEA and eligible overseas dependent territories are defined as all member states of the EU and Iceland, Liechtenstein, Switzerland, Norway and all the eligible British Overseas Territories and EU overseas territories. You can access a list of European Union (EU) member states on the [EU website](#).

EP443 Although Switzerland is not part of the formally recognised EEA, its nationals are eligible under various international treaties signed by the UK and Swiss governments.

EP444 The table below lists territories that are categorised as being within the EU and or territories that are categorised as being part of the listed countries such that they satisfy our residency requirements for the purposes of the funding rules.

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

| | |
|-------|--|
| | <ul style="list-style-type: none"> • The Azores |
| Spain | <p>The following is part of Spain and the EU:</p> <ul style="list-style-type: none"> • the Balearic Islands, • the Canary Islands, • Ceuta • Melilla |

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

Glossary

New for 1 August 2021

Updated definitions:

- Break in learning
- Practical period
- Subcontracting
- Subcontractor

0-9

£1000 additional payment

See '16 to 18 payment'

5% co-investment

See 'Co-investment'

5% contribution

See 'Co-investment'

10% co-investment

See 'Co-investment'

10% contribution

See 'Co-investment'

16 to 18 payment

The £1000 payment employers and providers receive for taking on an apprentice aged 16 to 18.

See also 'Additional payments'

20% completion payment

See 'Completion payment'

20% off-the-job

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

20% rule

See 'Completion payment' or 'Off-the-job (OTJ) training'

30 hours

See 'Minimum duration'

90% contribution

See 'Co-investment'

95% contribution

See 'Co-investment'

A

Account

See 'Apprenticeship service account'

Additional learning needs

See 'Identified needs'

Additional learning support (ALS)

See 'Learning support'

Additional payments

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

Additional qualifications

See 'Non-mandatory qualifications'

Advanced learner loan

Loans for individuals aged 19+ to provide financial support towards tuition costs. These loans are paid directly to the college or training organisation.

Annual leave

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

Apprentice

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

Apprentice employment contract

See 'Contract of service'

Apprentice rate

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

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

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

Apprenticeship

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

Apprenticeship agreement

An apprenticeship agreement is between an employer and an apprentice, either in accordance with the Apprenticeships, Skills, Children and Learning Act 2009 section A1 (for standards – an approved English apprenticeship agreement).

Apprenticeship certificate

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

Apprenticeship funding rules

View all apprenticeship funding rules.

Apprenticeship journal

See 'Evidence pack'

Apprenticeship levy

A levy on UK employers to raise funds to pay for apprenticeship training and assessment. It is

charged at 0.5% of an employer's pay bill, but each employer receives an allowance of £15,000 to offset against their levy payment. Because of the allowance, only employers with an annual pay bill greater than £3m must pay the levy. Levy payments are made monthly to HMRC.

Apprenticeship minimum wage

See 'National Minimum Wage'

Apprenticeship service account

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

See also 'The apprenticeship service'

Apprenticeship training agency (ATA)

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

Assessment

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

B

Block release

A concentrated period of time where the apprentice is training or studying at a place other than work as part of their apprenticeship.

Break in learning

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

See also 'Change of circumstances'

C

Care certificate

15 minimum standards that apprentices must achieve for specific job roles in the health and social care sector. We treat this as a Licence to practise.

Care leaver

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

Care leaver bursary

An additional £1000 payment that ESFA pay care leavers. This is paid via the apprentice's

training provider.

See also 'Additional payments'

Certificates

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

See also 'Prior learning'

Changes from the previous document

We tell you about new rules and any rules that have changed or been removed in the:

- summary of changes document
- relevant section of the funding rules

We also show you which sections contain changes on the web-based apprenticeship funding rules updates page.

Change of circumstance

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

Co-investment

Sharing the cost of training and assessing apprentices with the government. The following types of employers will pay co-investment:

- non-levy payers
- levy payers who have run out of levy funds

For apprenticeships that started before 1 April 2019, employers pay 10% towards the cost of apprenticeship training. The government will pay the rest (90%).

For apprenticeships that started on or after 1 April 2019, employers pay 5% towards the cost of apprenticeship training. The government will pay the rest (95%).

Commitment

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

Commitment statement

A statement held by the main provider, the apprentice and their employer. The commitment statement sets out how the apprentice will be supported to successful achievement of the apprenticeship. It must be signed by the apprentice, their employer and the main provider, and all three parties must retain a current signed and dated version.

Complete early

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

Completion payment

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

Contract for services

A contract between a contractor and a client.

Contract of service

A contract between an employee and employer.

Contribution

See 'Co-investment' or 'Funding band'

D

DAS

See 'The apprenticeship service'

Degree apprenticeship

An apprenticeship that is done at level 6 or 7 and equivalent to a bachelor's or master's degree. Apprentices spend part of their time at university and the rest with their employer.

Delivery subcontractor

An organisation contracted through a main provider or employer-provider to deliver on-programme assessments, English and maths or off-the-job training to apprentices. This does not include end-point assessment organisations. It also excludes subcontractors you use for different services, including help with marketing or data management, as well as those who deliver training to an apprentice that is in addition to the apprenticeship and not funded through this route.

Digital account

See 'Apprenticeship service account'

Disability

See 'Learning difficulty or disability (LDD)'

Dismissal

When an employee's contract of employment is terminated.

Distance learning

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

Double funding

See 'Individuals who are not eligible for funding'

E

Earnings adjustment statement (EAS)

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

Education, health and care (EHC) plan

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

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

Eligibility

The criteria an individual must meet to be able to do an apprenticeship and get apprenticeship funding. For example, their age, right to work in England, amount of prior learning and the duration of training needed.

There are also criteria that an apprenticeship training programme must meet.

Eligible costs

Costs that directly relate to the delivery of training and on-programme assessment. Eligible costs make up the total negotiated price, which is paid for using funds from either:

- an employer's apprenticeship service account
- government-employer co-investment

Employee

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

Employer

An organisation that has a contract of service and an apprenticeship agreement with an apprentice. This can include an apprenticeship training agency (ATA). This may also include a company or charity whose PAYE scheme the employer has connected to their apprenticeship service account. References to an 'employer' describe the whole organisation, not individual

sites, locations, groups or companies linked by directors.

Employer agreement

A legally binding agreement between an employer and the Education and Skills Funding Agency (ESFA). Employers must accept this agreement to get or reserve apprenticeship funding.

Employer-provider

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

End-point assessment (EPA)

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

End-point assessment organisation (EPAO)

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

English and maths

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

Entry-level

See 'English and maths'

Evidence pack

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

Exceptional learning support (ELS)

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

See also 'Learning support'

F

Functional skills

A type of English and maths qualification.

See also 'English and maths'

Funding agreement

Throughout this document the term 'funding agreement' is used to include:

- the apprenticeship levy provider funding agreement;
- the contract for services between the employer and main provider;
- the contract for services – apprenticeships (between the ESFA and main providers delivering apprenticeships to non-levy-paying employers).

Funding band

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

Funding rules

See 'Apprenticeship funding rules'

G

Gateway requirements

These are requirements set out in the assessment plan that must be met by the apprentice prior to undertaking end-point assessment of the apprenticeship standard. They will include the completion of English and maths qualifications (where applicable) and any on-programme mandatory qualifications (where applicable) along with satisfactory evidence (as determined by the employer, in consultation with the main provider) that the apprentice has achieved the necessary knowledge, skills and behaviours set out in the standard.

GCSE

See 'English and maths' or 'Prior learning'

Government-employer co-investment

Government-employer co-investment is funding that is not paid for from an employer's apprenticeship service account (because the employer does not pay the levy or has insufficient levy funds in their apprenticeship service account). Employers will need to make a mandatory co-investment with the government.

H

Higher apprenticeships

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

Holiday

See 'Annual leave'

I

ICT

See 'Functional skills'

Identified needs

Learning needs that have been identified as part of a need's assessment, which may be eligible for learning support.

See also 'Learning support'

Illness

See 'Break in learning'

Immigration permission

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

Incentive payment

See 'Completion payment'

Individualised learner record (ILR)

The primary data collection requested from training providers for further education and work-based learning in England. The data is used widely, most notably by the government, to monitor policy implementation and the performance of the sector. It is also used by organisations that allocate funding for further education.

Individual learning plan (ILP)

See 'Commitment statement'

Inducement

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

Ineligible costs

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

Initial assessment

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

Integrated standard

An integrated standard is where the end-point assessment is incorporated into the main learning aim (usually a degree or other full higher education qualification). In these cases, there is no need for an additional independent assessment.

K

Knowledge, skills and behaviours (KSBs)

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

L

Learning difficulty or disability (LDD)

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

See also 'Learning support'

Learning gap

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

Learning support

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

See also 'Additional payments'

Level 1

See 'English and maths' or 'Functional skills'

Level 2

See 'English and maths' or 'Functional skills'

Levy

See 'Apprenticeship levy'

Levy-paying employer

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

Licence to practise

Where it is a legal (or statutory) requirement for practitioners to have a licence, which confirms the licence holder meets certain standards of competence. This includes situations where it is illegal to be paid for a specified range of activities without a licence.

M

Main provider

Any organisation holding a contract with us through which we directly route funds from an employer's apprenticeship service account or government-employer co-investment. The main provider will have the overall responsibility for the training and on-programme assessment conducted by themselves and their delivery subcontractors and have a contractual relationship on behalf of the employer for the end-point assessment conducted by an end-point assessment organisation. The payment for the end-point assessment organisation is through the main provider.

Maternity leave

See 'Parental leave'

Mentoring

To include in off-the-job training, mentoring must impart new learning to the apprentice directly linked to the achievement of the apprenticeship by a more senior or experienced member of staff. This does not include general line management. The apprentice must not be doing productive work.

Minimum duration

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

Minimum wage

See 'National Minimum Wage'

N

National Minimum Wage

View the National Minimum Wage rates.

See also 'Apprentice rate'

Non-levy paying employer

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

Non-mandatory qualifications

Qualifications that an apprentice does not require to achieve an apprenticeship. The employer must pay for these qualifications.

O

Off-the-job (OTJ) training

Learning done outside of an apprentice's normal working duties, but within their working hours. Apprentices must spend at least 20% of their working hours doing OTJ training.

Online learning

See 'Distance learning'

On-programme assessment

A progress review of what the learner has done compared to the training plan in their commitment statement. It usually involves the learner, provider and employer.

On-the-job training

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

Ordinarily resident

For funding purposes, a person who normally lives in the country, is allowed to live there by law, and return there after temporary trips outside the country. Temporary absences from a country due to the learner or a relevant family member working or travelling abroad would be discounted when considering ordinary residency.

OTJ

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

P

Parental leave

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

See also 'Break in learning'

Part time

See 'Minimum duration'

Paternity leave

See 'Parental leave'

Pay bill

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

Personal learning record (PLR)

The personal learning record (PLR) allows individual apprentices access to their past and current achievement records. These can be shared with schools, colleges, further education training providers, universities or employers when making an application to further their education, training and employment.

Practical period

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

Pregnancy

See 'Parental leave'

Previous apprenticeship

See 'Prior learning'

Previous rules

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

Prior learning

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

See also 'Minimum duration'

Progress review

See 'On-programme assessment'

R

Receiving employers

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

See also 'Transfer of funds'

Redundancy

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

See also 'Change of circumstance'

Register of Apprenticeship Training Providers (RoATP)

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

Register of End-Point Assessment Organisations

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

Resit

Taking the end-point assessment again, without any extra learning.

Retake

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

Review

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

Review visit

See 'On-programme assessment'

S

Self-directed distance learning

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

Sending employers

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

See also 'Transfer of funds'

Special educational needs (SEN)

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

Standards

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

Start of learning

The date learning begins. This does not include enrolment, induction, diagnostic assessment or prior assessment.

Subsidy control

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

Statutory leave

See 'Annual leave'

Subcontracting

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

Subcontractor

A separate legal entity or an individual that has an agreement (called a subcontract) with you to deliver any element of the education and training we fund. A separate legal entity includes companies in your group, other associated companies and sole traders. An individual could include a person who is a sole trader, self-employed or employed by an agency unless those individuals are working under your direct management and control in the same way as your own employees.

Summary of changes

See 'Changes from the previous document'

T

The apprenticeship service

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

The hub

A website you can use to send things like ILR returns and earnings adjustment statements to the ESFA. You can also view validity and funding details, learning aims, units and apprenticeships.

This document

This document refers to the Apprenticeship Funding Rules for Main Providers August 2020 to July 2021.

Time off

See 'Annual leave' or 'Off-the-job (OTJ) training'

Time out

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

Total negotiated price (TNP)

The price negotiated between an employer and main provider for all the eligible costs of an apprentice's training and assessment.

See also 'Eligible costs' and 'Ineligible costs'

Training

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

Training provider

Organisations that are on the Register of Apprenticeship Training Providers and appointed by an employer and / or holding a current funding agreement with us or contracted through a main provider for the delivery of training and on- programme assessment, as part of the employer's agreed apprenticeship programme. This includes companies, charities, bodies, colleges, universities, sole traders, and other types of legal entity, including those who are in the same group as, or are associated with, the main provider. This excludes individuals who are self-employed or supplied by an employment agency and who are working under the main provider's direction and control, in the same way as an employee.

Transfer of funds

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

Transfer to a new employer

See 'Change of circumstances'

Transfer to a new provider

See 'Change of circumstances'

U

Unique learner number (ULN)

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

Updates

See 'Changes from the previous document'

W

Wage

See 'Apprentice rate'

Withdrawal

When an apprentice leaves or stops taking part in their apprenticeship before they have completed it. This could be temporary, and the apprenticeship can be restarted. A withdrawal is not a break in learning.

See also 'Change of circumstances'

Work experience

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

See also 'Prior learning'

Working hours

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

Written agreement

The main provider must have a written agreement in place with the assessment organisation and make payment to them for conducting the end-point assessment. The written agreement must set out the arrangements for end-point assessment including arrangements for any retakes and the transaction of payments.

Z

Zero-hour contracts

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

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