



Education & Skills
Funding Agency

Apprenticeship funding: rules for employer-providers

May 2017 to July 2018

Version 3

This document sets out the funding rules which will apply to all employer-providers following the introduction of the apprenticeship levy.

March 2018

Of interest to employer-providers.

Contents

Introduction and purpose of the document	3
Understanding the terminology	4
What is an apprenticeship?	5
Genuine job	5
Off-the-job training	6
Apprentices' wages.....	7
Use of funds	7
Apprenticeship agreement and commitment statement.....	8
Apprenticeship duration and employment hours	9
Who can be funded?	10
Apprentices with learning difficulties or disabilities	13
What can be funded?	14
Eligible costs.....	14
Ineligible costs	15
Additional payments	17
Extra support for small employers	18
Support for English and maths training.....	18
Exceptions to the regular English and maths minimum requirements for people with special educational needs, learning difficulties or disabilities	20
End-point assessments	21
Contracting and subcontracting.....	22
Employer-providers directly delivering training or on-programme assessment.....	22
Using subcontractors	23
Delivery of apprenticeship training and on-programme assessment by delivery subcontractors	24
Contracting with delivery subcontractors	24
Special conditions for subcontracting to 'supporting' providers	25
Special conditions for subcontracting to organisations not on the register of apprenticeship training providers	26
Special conditions for all instances where the employer is the delivery subcontractor	26
Reporting your use of delivery subcontractors to us	26
Disputes and issue resolution.....	26
Paying for an apprenticeship.....	27
The price of an apprenticeship: evidencing cost for employer-providers	27
When payments are made.....	28
Value added tax (VAT)	29
Funds in your apprenticeship service account.....	29
Qualifying days for funding	30
State aid	30

Recovery of funds.....	31
Apprenticeships funded by transfers of levy funds	31
Transfers functionality is still being developed. As a result, the rules in this section may be subject to change.....	31
Introduction for employer-providers	31
Rules for sending employer-providers	31
Rules for receiving employer-providers	33
Delivering the apprenticeship	34
The commitment statement between the employer-provider and apprentice	34
Data Protection	35
Starting, participating, completing, and leaving	35
Certification.....	36
Changes to the apprenticeship, main provider or employer	36
Redundancy	37
Where training or assessment stops.....	37
Summary of action following change in employer-provider or apprentice circumstances	38
Evidence requirements.....	40
Evidence pack	40
Confirmation and signatures	42
Individualised learner record (ILR).....	42
Self-declarations	43
Annex A: Exceptional eligibility criteria (who we fund).....	44
Exceptional eligibility status	44
Countries or areas where residency establishes eligibility for our funding	46
Annex B: Table of equivalent qualifications accepted for the purposes of prior attainment.	48
Glossary	52

Introduction and purpose of the document

- EP1. This document sets out the funding rules for employer-providers delivering apprenticeship training and assessment under the new apprenticeship programme from 1 May 2017.
- 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](#) for starts from 1 May 2017.
- 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 contract 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 the end-point assessment organisation. The payment for the end-point assessment is through the employer-provider. Where we use the term 'you', we are also referring to any organisation contracted by you to deliver the apprenticeship on your behalf.
- 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. If you are an employer-provider delivering the new apprenticeship programme, you must operate within the terms and conditions of your funding agreement, 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. You can contact us through our Business Operations Service Desk by email SDE.servicedesk@education.gov.uk or by telephone on 0370 2640001. You can also contact your provider manager/adviser.
- EP11. These rules will apply to all apprenticeship programmes starting on or after 1 May 2017. Unless otherwise stated, this includes both apprenticeship frameworks and standards.

EP12. Any apprenticeship which started before 1 May 2017 will continue to follow the rules set out in the documents we list below and which you can access on [GOV.UK](https://www.gov.uk).

12.1 Skills Funding Agency: common funding rules 2016 to 2017

12.2 Apprenticeships: common funding rules 2016 to 2017

12.3 Apprenticeship framework funding rules 2016 to 2017

12.4 Apprenticeship standards funding rules 2016 to 2017

Understanding the terminology

EP13. We use the term ‘apprenticeship’ to mean the training and, where applicable, end-point assessment for an employee as part of a job with an accompanying skills development programme funded by us. The full definition of an approved English apprenticeship is in section A1 of the [Apprenticeships, Skills, Children and Learning Act 2009](#).

EP14. We use the term ‘apprentice’ to include all those who receive apprenticeship training and, where applicable, end-point assessment through an apprenticeship framework or standard funded by us.

EP15. We use the term ‘funding agreement’ to include:

15.1. [the apprenticeship employer agreement](#)

15.2. [the apprenticeship provider funding agreement](#)

15.3. [apprenticeship funding: rules for employer-providers, May 2017 to July 2018](#).

EP16. We use the term ‘this document’ to refer to the apprenticeship funding: rules for employer-providers, May 2017 to July 2018.

EP17. We use the term ‘provider’ to include any organisation on the [register of apprenticeship training providers](#) and appointed by you for the delivery of training and on-programme assessment as part of your 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 employer-provider. This excludes individuals who are self-employed or supplied by an employment agency and who are working under the employer-provider’s direction and control, in the same way as an employee.

EP18. We use the term ‘delivery subcontractor’ to include any organisation contracted through a main provider or employer-provider to deliver apprenticeship off-the-job training, English or maths or planned on-programme assessment. This excludes end-point assessment organisations; end-point assessment organisations are not delivery subcontractors. 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.

- EP19. We use the terms ‘standard’ and ‘apprenticeship standard’ to cover the apprenticeship standards which have been approved and published by the Institute for Apprenticeships. Apprentices can only be enrolled against an apprenticeship standard once it is identified as ‘approved for delivery’ on the [Institute for Apprenticeships](#) website.
- EP20. We use the terms ‘framework’ and ‘apprenticeship framework’ to cover the apprenticeship frameworks which are available for delivery.
- EP21. We use the term ‘practical period’ to mean the duration for which the employer and apprentice agree that the apprentice will work and receive training under their approved English [apprenticeship agreement](#).
- EP22. [The hub](#) contains details of eligible apprenticeships.
- EP23. We use the term ‘end-point assessment organisation’ to include organisations on the [register of end-point assessment organisations](#). End-point assessment organisations are selected by the employer and contracted by you to deliver end-point assessment as part of your agreed apprenticeship programme.
- EP24. We use the term ‘training’ to mean the delivery of training and on-programme assessment by a main provider or any organisation contracted to a main provider for this purpose.
- EP25. From April 2017, all employers operating in the UK, with a pay bill of over £3 million each year will be required to pay a new apprenticeship levy. Employers can benefit from this investment by training apprentices.
- EP26. The [‘apprenticeship service’](#) is the service that will allow employers to choose and pay for the apprenticeship training that they want and will support the uptake of apprenticeships. The service is designed primarily for employers, with information coming from a range of different sources, including training providers.
- EP27. We use the term ‘employer’s apprenticeship service account’ or ‘apprenticeship service account’ to mean the part of the apprenticeship service that will allow employers to view the funds they have available to direct us to pay for their chosen apprenticeship training and assessment in England.
- EP28. We use the term ‘government-employer co-investment’ to mean funding that is not paid for from your apprenticeship service account because there are insufficient levy funds.

What is an apprenticeship?

Genuine job

- EP29. An apprenticeship is a genuine job with an accompanying skills development programme. Through their apprenticeship, apprentices gain the technical knowledge, practical experience and wider skills they need for their immediate job and future

career. The apprentice gains this through a wide mix of learning in the workplace, formal off-the-job training and the opportunity to practise new skills in a real work environment.

EP30. By 'genuine' we mean that:

- 30.1. the apprentice must have a contract of service with you which is long enough for them to complete the apprenticeship successfully, including the end-point assessment (if an apprenticeship standard is being delivered where applicable). The only exceptions to this are:
 - 30.1.1 apprentices who have been made redundant less than six months before the final day of their apprenticeship¹ (see paragraph EP239);
 - 30.1.2 apprentices who have been made redundant with more than six months but less than 12 months of their apprenticeship – these apprentices may seek a further contract of service with a duration of less than 12 months; and
 - 30.1.3 particular office holders, namely constables of English police forces and ministers or trainee ministers of a religious denomination, who are not engaged under a contract of service.²²
- 30.2. the cost of the apprentice's wages must be met by you as the employer
- 30.3. the apprentice must have a job role (or roles) with you that provides the opportunity for them to gain the knowledge, skills and behaviours needed to achieve their apprenticeship
- 30.4. the apprentice must have appropriate support and supervision from you to carry out their job role

EP31. When the apprenticeship is achieved, the apprentice should remain with you, where a job opportunity continues to exist and where the apprentice wishes to remain. Where this is not possible, the apprentice must be supported to seek alternative opportunities.

EP32. The ESFA will monitor apprentice destination data and HMRC data to ensure that job roles are genuine and are not created purely for the purposes of the apprenticeship programme. We will take action if employer recruitment practice is detrimental, either to apprentices or to the apprenticeship brand.

Off-the-job training

EP33. Off-the-job training is training received by the apprentice, during the apprentice's

¹ Regulation 6(5), [Apprenticeships \(Miscellaneous Provisions\) Regulations 2017](#)

² Regulation 6(6), [Apprenticeships \(Miscellaneous Provisions\) Regulations 2017](#)

normal working hours, for the purpose of achieving their apprenticeship. It is not training delivered for the sole purpose of enabling the apprentice to perform the work for which they have been employed.

EP34. Off-the-job training must be directly relevant to the apprenticeship framework or standard, teaching new knowledge, skills and behaviours required to reach competence in the particular occupation. It can include training that is delivered at the apprentice's normal place of work and can include the following:

- 34.1 the teaching of theory (for example, lectures, role playing, simulation exercises, online learning, and manufacturer training)
- 34.2 practical training, shadowing, mentoring, industry visits, and attendance at competitions
- 34.3 learning support and time spent writing assessments/assignments

EP35. Off-the-job training does not include:

- 35.1 training to acquire skills, knowledge and behaviours that are not required in the standard or framework;
- 35.2 progress reviews or on-programme assessment required for an apprenticeship framework or standard;
- 35.3 training which takes place outside the apprentice's paid hours

EP36. If planned off-the-job training is unable to take place as scheduled, you must ensure this is rearranged. All off-the-job training must take place during paid hours. Apprentices may choose to spend additional time on training outside their paid hours, but this must not be required to complete the apprenticeship.

EP37. At least 20% of the apprentice's paid hours, over the planned duration of the apprenticeship, must be spent on off-the-job training. Apprentices may need more than 20% off-the-job training (see paragraph EP38). Evidence must be available to support the training delivered. By paid hours we mean the apprentice's contracted hours (e.g. 30 hours per week x 52 weeks x 0.2 = 312 hours off-the-job training per year).

EP38. English and maths up to and including level 2 does not qualify for the purposes of the 20% requirement; this must be additional to the 20% off-the-job training requirement.

Apprentices' wages

EP39. Every apprentice must be an employee on the first day of their apprenticeship and be paid a lawful wage for the time they are in work and in off-the-job training. You can only pay the apprenticeship minimum wage from the start of the apprenticeship programme and not before. You can find information on the national minimum wage, the wage, the apprenticeship rate and the definition of an employee on [GOV.UK](https://www.gov.uk).

Use of funds

- EP40. To use funds in your apprenticeship service account or from government-employer co-investment for an apprenticeship, you must:
- 40.1 retain evidence of the apprentice's employment
 - 40.2 be satisfied that the apprenticeship is the most appropriate learning programme and have evidence that it is either:
 - 40.2.1 a new job role
 - 40.2.2 an existing job role, where the individual needs significant new knowledge and skills
 - 40.3 make sure and have evidence that the apprentice spends at least 20% of their time on off-the-job training (see paragraphs EP33 to EP38), recognising that apprentices may need more than 20% off-the-job training (for example, if they need English and maths training)
 - 40.3.1 it is up to you to decide how the off-the-job training is delivered. This may include regular day release, block release, and special training days/workshops
 - 40.4 make sure the job allows the apprentice to gain wider employment experience as part of the apprenticeship
- EP41. You must not use funds from your apprenticeship service account or government-employer co-investment for any part of any apprentice's programme where either you or another party claim funding from another government department or agency for the same purpose. This includes any funding from the European Social Fund, the Education and Skills Funding Agency or Jobcentre Plus for that individual.
- EP42. You must not claim funding for any part of any apprentice's programme that duplicates training or assessment they have received from any other source.

Apprenticeship agreement and commitment statement

- EP43. You must evidence that the apprentice has an [apprenticeship agreement](#) with you at the start of, and throughout, their apprenticeship. For standards, this is defined in section A1(4) of the [Apprenticeships, Skills, Children and Learning Act 2009](#) (as amended by the [Enterprise Act 2016](#)); for frameworks, this is defined in section 32.
- 43.1 This can be a written statement of particulars under the Employment Rights Act 1996, a contract of service or a letter of engagement.
 - 43.2 In relation to standards, the approved English apprenticeship agreement must also (i) set out the amount of time the apprentice will spend in off-the-job training, and (ii) the planned end date of the apprenticeship's practical period, called the "final day". (It may be necessary to amend this when circumstances change. Please see the "changes to the apprenticeship, main provider or employer" section for more information.) These requirements are provided for in the Apprenticeships (Miscellaneous Provisions) Regulations 2017.

- 43.3 You must keep a copy of any revisions to the apprenticeship agreement resulting from a change in circumstance in the evidence pack.
- 43.4 Apprentices who are made redundant up to six months before the final day of their apprenticeship do not need to be employed under an apprenticeship agreement.

EP44. A commitment statement (see paragraphs EP221 to EP222 must be in place at the start, and for the entire length of, the apprenticeship (updated as needed), with signed copies. These must be distributed to both parties (employer-provider and apprentice).

Apprenticeship duration and employment hours

EP45. The minimum duration of an apprenticeship is one year unless the framework or standard specification or assessment plan requires it to be longer. For apprenticeship standards, the end-point assessment can only be taken after the minimum duration has been met (see paragraph EP127).

EP46. You must ensure the apprenticeship meets the minimum apprenticeship duration rules. This includes where the content and/or duration of the apprenticeship has been adjusted to recognise prior learning.

EP47. The apprentice must be employed until the end-point assessment (where applicable) is completed.

EP48. You must not claim an apprenticeship framework completion certificate on behalf of the apprentice from [Apprenticeship Certificates England](#) if the minimum duration has not been met. For standards, you must ensure that the minimum duration has been met as part of confirming the end-point assessment gateway requirements.

EP49. You must make sure that the apprentice is involved in active learning or monitored workplace practice throughout an apprenticeship. The apprentice can, after achieving all mandatory requirements of an apprenticeship, stay in learning until they meet the minimum duration and embed the skills they have gained. You must have evidence that the apprentice continues in learning.

EP50. The minimum duration of each apprenticeship is based on the apprentice working 30 hours a week or more, including any off-the-job training they undertake.

EP51. 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.

EP52. You must allow the apprentice to complete the apprenticeship within their working hours. This includes English and maths. You must keep evidence of this in the evidence pack.

EP53. If the apprentice works fewer than 30 hours a week you must extend the minimum duration (pro rata) to take account of this. This will also apply to any temporary period of part-time working.

- EP54. Where a part-time working pattern is needed, the extended duration of the apprenticeship must be agreed by that apprentice and you. You must also meet the conditions set out in paragraph EP58.
- EP55. Where part-time working is agreed, you must:
- 55.1 record the agreed average number of hours each week
 - 55.2 evidence why this working pattern is needed
 - 55.3 extend the minimum duration using the following formula:
 - 55.3.1 $12 \times 30 / \text{average weekly hours} = \text{new minimum duration in months}$
- EP56. Zero-hours contracts are acceptable only where they meet all of the other rules in this document. For an apprentice with a zero-hour contract you must extend the duration of the apprenticeship in proportion to the hours they work.
- EP57. 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.
- EP58. Working fewer than 30 hours a week or being on a zero-hours contract must not be a barrier to successfully completing an apprenticeship. We will monitor working hours data and patterns of behaviour to ensure that sufficient regular training and on- and off-the-job activity is done 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.
- EP59. When an apprentice changes their framework or standard or returns after a break in learning, you must have evidence that the total amount of time spent on their apprenticeship meets the minimum duration requirements.
- EP60. If they start a new apprenticeship, previous durations do not apply in meeting the minimum duration requirements. The only exception to this is where an apprentice is made redundant with more than six, but less than 12, months remaining before their final day. 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.

Who can be funded?

- EP61. 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.

EP62. To use funds in your apprenticeship service account or government-employer co-investment, the individual must:

- 62.1 start their apprenticeship after the last Friday in June of the academic year in which they have their 16th birthday
- 62.2 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
- 62.3 not be undertaking another apprenticeship, or another DfE funded FE/HE programme, at the same time as any new apprenticeship they start. Individuals on a sandwich placement as part of a degree programme must not complete an apprenticeship during this placement.
- 62.4 not be asked to contribute financially to the direct cost of training, on programme or end-point assessment. This includes both where the individual has completed the programme successfully or left the programme early. Direct costs include any co-investment or additional training and assessment costs above the funding band that you have paid directly to the training provider, where this is part of the agreed apprenticeship.
- 62.5 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 had been funded by a student loan, the loan must be terminated)
- 62.6 spend at least 50% of their working hours in England over the duration of the apprenticeship. You must develop arrangements with the relevant devolved administration if you are planning to deliver apprenticeships to individuals who do not spend at least 50% of their working hours in England over the duration of their apprenticeship, including time spent on off-the-job training.
- 62.7 have the right to work in England
- 62.8 be one of the following:
 - 62.8.1 a citizen of a country within the European Economic Area (EEA) (including other countries determined within the EEA or those with bilateral agreements), or have the right of abode in the UK, and have been ordinarily resident in the EEA (including other countries determined within the EEA or those with bilateral agreements), for at least the previous three years on the first day of the apprenticeship
 - 62.8.2 a non-EEA citizen with 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

EP63. Annex A of this document includes further rules on individuals with unusual eligibility status as well as the list of all the countries and territories in the EEA.

- EP64. As an exception, we will also allow the following individuals to be funded from your apprenticeship service account or using government-employer co-investment:
- 64.1 armed forces and Royal Fleet Auxiliary personnel to undertake a statutory English apprenticeship wherever they are based in the United Kingdom
 - 64.2 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
 - 64.3 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.
- EP65. 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:
- 65.1 are here illegally
 - 65.2 are resident in the United Kingdom on a tier 4 (general) student visa unless they are eligible through meeting any other of the categories described above
 - 65.3 are non-EEA citizens in the United Kingdom on holiday, with or without a visa
 - 65.4 have overstayed their immigration or visitor visa
 - 65.5 are non-EEA citizens and are a family member of a person granted a tier 4 visa, have been given immigration permission to stay in the UK and have not been ordinarily resident in the UK for the previous three years on the first day of learning
 - 65.6 are ordinarily resident in the Channel Islands or Isle of Man, unless they are also ordinarily resident within England
 - 65.7 have a biometric residence permit or residence permit imposing a study prohibition or restriction on the individual
- EP66. 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.
- EP67. Any eligible individual can be funded to undertake an apprenticeship at a higher level than a qualification they already hold, including a previous apprenticeship.

- EP68. 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 EP248.25.
- EP69. The age of the apprentice on the day they start their apprenticeship will be used for all age-based eligibility criteria for that apprenticeship.
- EP70. An apprentice's eligibility will not change during the apprenticeship, unless their employment status changes (see paragraphs EP231 to EP243).
- EP71. You must reassess an individual for any new apprenticeship.
- EP72. 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 EP73.
- EP73. If an apprentice is made redundant, we will continue to fund their training even if they cannot find another employer. Apprentices who are made redundant within six months of their final day will be funded to completion. We will also fund apprentices' training for 12 weeks where they are made redundant more than six months from their final day, while they seek a further [apprenticeship agreement](#).

Apprentices with learning difficulties or disabilities

- EP74. We will provide learning support for apprentices to help with learning that affects their ability to continue and complete their apprenticeship. This can be claimed up to the learning actual end-date. Learning support can also be claimed to meet the costs of putting in place a reasonable adjustment as part of the Equality Act 2010.
- EP75. Learning support must not be used to deal with everyday difficulties that are not directly associated with an apprenticeship.
- EP76. You must:
 - 76.1 carry out a thorough assessment to identify the support the apprentice needs
 - 76.2 deliver support to meet the apprentice's identified needs, and review progress and continuing needs, as appropriate
 - 76.3 record all outcomes in the evidence pack and keep evidence of the assessment of the needs
 - 76.4 report in the ILR that an apprentice has a learning support need
- EP77. Learning support is earned at a fixed monthly rate, which should be enough to cover your costs. This will not be deducted from your apprenticeship service account or require employer co-investment. If the support cost exceeds that earned from the fixed monthly rate, and you provide evidence of this, you can claim excess learning support using the [earnings adjustment statement](#) (EAS). You can find further

information on the EAS on [GOV.UK](https://www.gov.uk).

- EP78. You must promptly claim for learning support 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.
- EP79. The maximum value of learning support each year claimed through the monthly rate and excess learning support claimed through the EAS is £19,000. If learning support costs for an apprentice exceed this maximum, you will need to complete the [exceptional learning support](#) (ELS) forms so we can authorise you to claim exceptional learning support. You can access the exceptional learning support cost form on [GOV.UK](https://www.gov.uk).
- EP80. To claim ELS for an apprentice aged 19 to 24 without an education, health and care plan (EHC plan), you must confirm why the individual does not have an EHC plan. This should be a letter or email from the apprentice's local authority stating the reason(s) why the individual does not have an EHC plan.

What can be funded?

Eligible costs

- EP81. You must make sure that the apprenticeship is eligible for funds in your apprenticeship service account or government-employer co-investment before the individual starts. [The hub](#) contains detail of eligible apprenticeships. Apprentices can only be enrolled against an apprenticeship standard once it is identified as 'approved for delivery' on the [Institute for Apprenticeships](#) website.
- EP82. Funds from your apprenticeship service account, government-employer co-investment or the additional transitional funds paid for 16 to 18 year olds on frameworks must only be used for activity directly related to the apprenticeship. These funds must only be used to pay for training and assessment, including end-point assessment, to attain an apprenticeship that is eligible for funding up to the limit of the funding band.
- EP83. For organisations that have been accepted on the [register of end-point assessment organisations](#) eligible costs are set in the [conditions of acceptance document](#).
- EP84. For employer-providers and the delivery of training and on-programme assessment, eligible costs include the following:
- 84.1 off-the-job training through a provider, or evidenced costs for employer-provider delivery. This could include 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 standard
 - 84.2 registration and examination (including certification) costs associated with mandatory qualifications excluding any licence to practise (see paragraph EP87.7).
 - 84.3 regular planned on-programme assessments (progress reviews) to

discuss progress to date against the commitment statement and the immediate next steps)

- 84.4 distance, online, or blended learning relating to the off-the-job training element of an apprenticeship
- 84.5 materials (non-capital items) used in the delivery of the apprenticeship framework or standard. By materials (non-capital items) we mean the equipment or supplies necessary to enable a particular learning activity to happen. These items would not normally have a lifespan beyond the individual apprenticeship being funded
- 84.6 any administration directly linked to training and assessment, including end-point assessment. This includes costs relating to the ongoing development of teaching materials, lesson planning, the processing of the ILR, and quality assurance
- 84.7 costs to resit an exam linked to a mandatory qualification, even where no additional learning is required.
- 84.8 additional learning required to retake a mandatory qualification or an end-point assessment.
- 84.9 accommodation costs for training delivered through residential modules where the residential training is a mandatory requirement for all apprentices. Any costs for residential modules must represent value for money
- 84.10 costs of an apprentice taking part in a skills competition if you have evidence that participation in the competition directly contributes to helping that individual achieve the apprenticeship standard

EP85. The costs of taking part in any of the above activities may be included in the recorded price of training and end-point assessment. If this means the total price exceeds the maximum of the funding band then you, as the employer, must pay in full the difference between the band maximum and the agreed price.

EP86. Any of the eligible costs outlined in paragraph EP84 can be bought in from a third party and we will fund them. Funds from your apprenticeship service account or government co-investment must not be used to fund other services from a third party.

Ineligible costs

EP87. For employer-providers and the delivery of training and on-programme assessment, ineligible costs include the following:

- 87.1 enrolment, induction, prior assessment, initial diagnostic testing, or similar activity
- 87.2 travel costs for apprentices under any circumstances
- 87.3 apprentice wages

- 87.4 personal protective clothing and safety equipment required by the apprentice to carry out their day-to-day work
- 87.5 off-the-job training delivered only by distance learning, although you can include online and other blended learning activity as part of the delivery of an apprenticeship
- 87.6 any training, optional modules, educational trips or trips to professional events in excess of those required to achieve the apprenticeship framework or meet the knowledge, skills and behaviours of the apprenticeship standard. This includes training solely and specifically required for a licence to practise
- 87.7 registration and examination (including certification) costs associated with a licence to practise. This applies even where a licence to practise is specified in the apprenticeship standard and assessment plan
- 87.8 registration and examination (including certification) costs for non-mandatory qualifications (qualifications that are not specifically listed in the standard)
- 87.9 end-point assessment costs incurred by the employer-provider but not included in the price negotiated between the employer and the end-point assessment organisation
- 87.10 English and maths up to level 2 (this is funded separately)
- 87.11 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
- 87.12 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. Residential costs associated with non-mandatory learning, including qualifications, are also excluded
- 87.13 capital purchases including lease agreements. Capital purchases are long-term assets which would have a lifespan beyond the apprenticeship being funded, such as land, buildings, machinery and ICT equipment (e.g. tablets and similar electronic devices)
- 87.14 maintenance of capital purchases. This includes vehicle parts and labour, insurance and MOT
- 87.15 time spent by employees/managers supporting or mentoring apprentices, or the time of other employed staff arranging training support, except where this is directly linked to the training and assessment, including end-point assessment. For example, we would not expect to pay for any time spent by the apprentice's line manager for any of these activities
- 87.16 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, brokerage services and the costs of memberships or other costs paid to employers, or their representatives, associated with procurement registers or opportunities to secure business

- EP88. You can only use funds in your apprenticeship service account to pay for apprenticeship training and assessment for apprentices employed by you or a [connected company or charity](#).
- EP89. You must not pay incentives or inducements or any other payment not authorised by us to a provider or to an end-point assessment organisation in relation to any part of the apprenticeship programme.

Additional payments

- EP90. You will receive a payment towards the additional cost associated with training if, at the start of the apprenticeship, the apprentice is:
- 90.1 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)
 - 90.2 aged between 19 and 24 years old and has either an EHC plan provided by their local authority or has been in the care of their local authority as defined in paragraph EP92
- EP91. You will also receive a payment if, at the start of the apprenticeship, the apprentice is undertaking an apprenticeship framework and is recorded on the ILR as having a postcode prior to enrolment, listed within the 27% most deprived areas of the country according to the [index of multiple deprivation \(IMD\) 2015](#).
- EP92. A child in care is defined as
- 92.1 an eligible child - a young person who is 16 or 17 and who has been looked after by the 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
 - 92.2 a relevant child - a young person who is 16 or 17 who has left care after their 16th birthday and before leaving care was an eligible child
 - 92.3 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
- EP93. Before any apprenticeship starts, you must have evidence that you are eligible for these payments in respect of each apprentice. You must check this and keep evidence in the evidence pack.
- EP94. Where these payments are for apprentices aged between 19 and 24 years old at the start of their apprenticeship (see paragraph EP90.2), 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:

94.1 a signed, original declaration from the apprentice to confirm they are a care leaver; or

94.2 evidence of an EHC plan

EP95. These payments will be paid as follows:

95.1 90 days after the apprentice starts, 50% will be paid if the apprentice is still undertaking their apprenticeship

95.2 365 days after the apprentice starts, the remaining 50% will be paid if the apprentice is still undertaking their apprenticeship

EP96. Employer-providers can receive both employer and provider payments if they meet the eligibility criteria.

EP97. For frameworks, you will also receive an additional payment of 20% of the funding band maximum if the apprentice is aged between 16 and 18. The payment will only be available in 2017 to 2018 as a transitional measure. This must only be used to fund the eligible costs described in paragraph EP84. The [apprenticeship technical funding guide](#) gives more information on how uplifts are paid. Employers do not have to contribute to this additional funding.

Extra support for small employers

EP98. Additional exceptions to these rules apply if you employ fewer than 50 people. You can find further information in the [Apprenticeship funding and performance-management rules for Training Providers, May 2017 to July 2018](#).

Support for English and maths training

EP99. We will fund apprentices to achieve qualifications in English or maths (or both) if they do not already meet the required standard (see below). This will be paid in full to you by the ESFA at the rate we set, and will not be deducted from your apprenticeship service account or require employer co-investment.

EP100. 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:

100.1 GCSE English language or maths (or both)

100.2 functional skills English or maths at level 2 (or both)

EP101. We will fund Functional Skills English and/or maths at level 1 or below if you have conducted a thorough initial assessment using current assessment tools based on the national literacy and numeracy standards and core curriculum that shows the apprentice needs to study a lower level before being able to achieve their level 2.

EP102. In exceptional circumstances, we will fund:

102.1 re-takes of English and/or maths qualifications during the course of the

apprenticeship to achieve the required standard and where apprentices receive further teaching. We will monitor this behaviour to identify where providers continue to claim for further attempts of English and/or maths for potential financial gain and will take action where necessary

102.2 [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

102.3 ESFA approved Ofqual-regulated level 1 and level 2 awards and certificates in British Sign Language (BSL) as an alternative to functional skills English for apprentices whose first language is BSL

EP103. Any English and/or maths requirements for the achievement of a standard/framework that are in addition to those set out above must be funded from an employer's apprenticeship service account or through government-employer co-investment. Where this is not a requirement of a standard/framework and is not set out above, the cost cannot be funded through government employer co-investment or an employer's apprenticeship service account and must be paid in full by the employer.

EP104. For level 2 apprenticeships where level 2 English or maths are not required for the apprenticeship and the apprentice does not already hold acceptable qualifications (see [published list](#) for frameworks and Annex B for standards) apprentices must:

104.1 achieve English and maths qualifications of at least level 1 (functional skills level 1 or GCSE grade E or 2) before taking the end-point assessment or achieving an apprenticeship framework

104.2 start, continue to study and take the test for level 2 English and maths (functional skills level 2 or GCSE) before they complete their apprenticeship, although they do not have to achieve level 2 English and maths to complete their apprenticeship

EP105. For apprenticeships at level 3 and above, or where level 2 English and/or maths are a mandatory part of the framework or standard and the apprentice does not already hold acceptable qualifications (see published list for frameworks and Annex B for standards):

105.1 apprentices must achieve level 2 functional skills or GCSE grade A* to C (or 9 to 4) in English and maths before taking their end-point assessment or achieving an apprenticeship framework

EP106. Adjustments to the English and maths regular minimum requirements for apprentices with special educational needs, learning difficulties or disabilities are outlined in the next section (paragraphs EP109 to EP116).

EP107. If you cease trading or if the apprentice is made redundant, they are allowed to continue with their English and/or maths up to and including level 2 but this must be with a new training provider.

EP108. An apprentice must not be funded from the adult education budget for English or maths.

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

- EP109. The rules in this section (paragraphs EP109 to EP116) apply to all apprenticeships, including existing apprentices currently engaged on a programme. Where the apprentice needs to change to entry level 3 for English and/or maths due to their disability or learning difficulty the provider should record this in the ILR as a change in the usual way.
- EP110. Every effort should be made to enable apprentices to achieve the regular minimum English and maths requirements of the specific apprenticeship, including appropriate use of access arrangements, reasonable adjustments and other approved qualifications.
- EP111. Apprentices with 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 can instead meet entry level 3 functional skills in English and/or maths. This should be assessed on a case-by-case basis and should satisfy all of the following conditions:
- 111.1 You expect the apprentice to achieve all other aspects of the apprenticeship requirements, become occupationally competent and achieve entry level 3 in the adjusted subject(s) before the end of their apprenticeship.
 - 111.2 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).
 - 111.3 You hold or have conducted an evidenced assessment demonstrating that even with support, reasonable adjustments and stepping stone qualifications, the apprentice, as a result of their learning difficulty or disability, 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 of their apprenticeship under a framework or be otherwise ready to progress to their end-point assessment under a standard.
- EP112. Depending on the apprentice's individual circumstances and assessment, this adjustment may apply to one subject, or to both English and maths. If the adjustment is only applied to one subject, the regular requirements for the non-adjusted subject will apply.
- EP113. 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.
- EP114. The assessment must be formal, structured, by an appropriate professional associated with the employer-provider, such as the head of SEN or student support. For new apprenticeship starts after 29 September 2017, the assessment must be conducted within eight weeks of an apprentice beginning their apprenticeship. Existing apprentices on this date who may benefit from the adjusted minimum

requirements must be reassessed by 31 August 2018. Assessments must include:

- 114.1 assessment of the apprentice's current English and maths ability
- 114.2 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
- 114.3 assessment of the apprentice's ability to meet the regular English and maths requirements even with appropriate support in place
- 114.4 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
- 114.5 collection of copies of an education, health and care (EHC) plan, a statement of special educational need (SEN) or a learning difficulty assessment (LDA)

EP115. You must retain all elements of the assessment in the evidence pack.

EP116. If the apprentice disagrees with the outcome of the assessment, you must provide a facility for the apprentice to request a second opinion. You must ensure that the assessment is reviewed independently by a second SEN professional. You may determine the format of the review process.

End-point assessments

EP117. 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. Frameworks have different assessment arrangements and do not require end-point assessment.

EP118. Apprentices will not be able to achieve an apprenticeship standard without satisfying all the requirements of the assessment plan, including the end-point assessment.

EP119. An apprentice can only take the end-point assessment once they have met the minimum duration of an apprenticeship, satisfied the gateway requirements set out in the assessment plan and you, as their employer, are content they have attained sufficient skills, knowledge and behaviours. You must ensure the apprentice meets the minimum apprenticeship duration rules and is employed until the end-point assessment (where applicable) is completed. The only exception is where the apprentice has been made redundant and we are funding the apprenticeship to completion (see paragraph EP239).

EP120. You must select an end-point assessment organisation to deliver the end-point assessment from the register of end-point assessment organisations (RoEPAO) and negotiate a price with this organisation for the end-point assessment. Only those organisations listed on the RoEPAO will be eligible to be funded.

EP121. Although you will be involved in arrangements for end-point assessment, the

assessment itself must be independent (subject to the exception below). The end-point assessment requirements are set out in the assessment plan for the standard. Some assessment plans give the employer-provider specific roles but those who have delivered the training cannot make an end-point assessment judgement for that same group of apprentices.

EP122. The end-point assessment for any standard identified as an 'integrated standard' need not be independent. The end-point assessment organisation in these cases may also be the provider.

EP123. You must form a contract in writing with the end-point assessment organisation that you have selected and make payment to them for conducting the end-point assessment. The written agreement must set out the arrangements for sharing relevant information about the apprentice so end-point assessment and certification can take place, including arrangements for any re-takes and payments. This should also include arrangements for a change of circumstances, which may delay, or lead to the cancellation of, the end-point assessment.

EP124. 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 the cost of external quality assurance, which involves an external body (as agreed with the Institute for Apprenticeships) ensuring consistency of quality and approach to end-point assessment against a particular standard, regardless of which end-point assessment organisation has carried it out. 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.

EP125. We expect that the cost of end-point assessment should 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 total costs are higher than the funding band maximum the difference must be paid by you as the employer.

EP126. The assessment costs include any costs related to the external quality assurance of the end-point assessment. Eligible costs for end-point assessment organisations are set out in the conditions of acceptance for organisations on the RoEPAO.

EP127. The end-point assessment can only be taken after the minimum duration has been completed (see paragraph EP45). You must ensure that the entire duration of the apprenticeship standard for both training and end-point assessment is recorded on the ILR as a minimum of 372 days to be eligible for funding.

EP128. You must keep evidence of payments made to the end-point assessment organisation for conducting the end-point assessment.

Contracting and subcontracting

Employer-providers directly delivering training or on-programme assessment

EP129. Funding for all elements of each apprenticeship will be routed through you, the employer-provider. This includes funding for English and maths.

EP130. You must directly deliver some of the apprenticeship training and/or on-programme assessment associated with your apprenticeship programme. By apprenticeship programme we mean the apprentices that are being trained by you. The volume of training and/or on-programme assessment that you directly deliver for each employer 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.

EP131. Employer-providers must evidence the actual costs of delivery of apprenticeship training and on-programme assessment (see the [apprenticeship funding: rules for employer-providers](#))

Using subcontractors

EP132. You must take your own legal advice about the impact of the [Public Contracts Regulations 2015](#) on your recruitment of delivery subcontractors and satisfy yourself that you are able to comply with the requirements of those regulations. You must provide a synopsis of the legal advice for inspection by us on request.

EP133. You can use delivery subcontractors to complement your own delivery. Within your apprenticeship programme (conditional on paragraph EP130) delivery subcontractors can deliver full or part-apprenticeship training for frameworks and standards.

EP134. You must only use delivery subcontractors that satisfy one of the following three criteria:

- 134.1 they are on the published [register of apprenticeship training providers](#) and have applied by the main or supporting application routes
- 134.2 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
- 134.3 they are not on the published register of apprenticeship training providers but will deliver less than £100,000 of apprenticeship training and on-programme assessment under contract across all main providers and employer-providers between 1 April and 31 March each year (for the first year this is 1 May 2017 and 31 March 2018)

EP135. You must carry out your own due diligence checks on potential delivery subcontractors. 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.

EP136. You must not use a delivery subcontractor that you assess is unsuitable, or whose quality of delivery is demonstrably inadequate.

EP137. 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.

EP138. 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. The restriction on the level of subcontracting is in place to ensure:

138.1 that lead providers / employer-providers retain clear and transparent accountability for the quality of training provision

138.2 that proper and appropriate controls are in place to manage the apprentice experience; and

138.3 that value for money is achieved by mitigating funding being utilised for multiple tiers of subcontractor management

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

EP139. You are responsible for all of the actions of your delivery subcontractors that are connected to, or arise out of, all the apprenticeship training and on-programme assessment that you subcontract.

EP140. You carry overall responsibility for the quality of apprenticeship training and on-programme assessment undertaken by your delivery subcontractors.

EP141. You must manage and monitor all of your delivery subcontractors to ensure that high-quality delivery is taking place that meets our funding rules.

EP142. 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:

142.1 include whether the apprentices exist and are eligible

142.2 involve direct observation of initial guidance, assessment and delivery of training and/or on-programme assessment

EP143. 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.

EP144. 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

EP145. You must have a legally binding contract with each delivery subcontractor.

EP146. You must obtain an annual report from an external auditor if the total apprenticeship contracts with your delivery subcontractors will exceed £100,000 in any one financial year. The report must provide assurance on the arrangements to manage and control your delivery subcontractors. The report must comply with any guidance issued by us. You must supply us with a certificate signed by the external auditor and an authorised signatory to confirm you have received a report that provides satisfactory assurance. We may ask you to provide a copy of the full report.

EP147. Your contract with each delivery subcontractor must specify the following:

- 147.1 they must keep to our funding rules
- 147.2 they must provide you with ILR data so that your data returns to us accurately reflect delivery information
- 147.3 they must give us, and any other person nominated by us, access to their premises and to all documents related to their delivery of apprenticeships
- 147.4 they must give you sufficient evidence to allow you to:
 - 147.4.1 assess their performance against Ofsted's common inspection framework or the requirements of the QAA quality code
 - 147.4.2 incorporate the evidence they provide into your self-assessment report
 - 147.4.3 guide the judgements and grades within your self-assessment report
- 147.5 they must always have suitably qualified staff available to provide apprenticeship training and/or on-programme assessment
- 147.6 they must co-operate with you to ensure that there is continuity of learning for apprentices if the subcontract ends for any reason
- 147.7 they must tell you if evidence of irregular financial or delivery issues arises. This could include, but is not limited to, non-delivery of training when funds have been paid, sanctions imposed by an awarding organisation, allegations of fraud, an inadequate Ofsted grade, not meeting relevant QAA quality code indicators, allegations or complaints by apprentices, employers, staff members, or other relevant parties
- 147.8 they must not use our funding to make bids for, or claims from, any European funding on their own behalf or on our behalf
- 147.9 they must not use payments made as match funding for ESF projects

Special conditions for subcontracting to 'supporting' providers

EP148. 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 of apprenticeship funding for their delivery from 1 April to 31 March each year.

EP149. You must ensure that you are not one of a number of organisations making payments to any 'supporting' provider that exceed £500,000 in any one year. We will place restrictions on your future use of delivery subcontractors if this happens.

EP150. We will permanently exclude any provider that has applied to the register of apprenticeship training providers through the supporting application route where they allow their funding to exceed this total in any one year.

Special conditions for subcontracting to organisations not on the register of apprenticeship training providers

EP151. Organisations who are not on the register of apprenticeship training providers must not receive more than £100,000 of apprenticeship funding for their delivery from 1 April to 31 March each year.

EP152. You must ensure that you are not one of a number of organisations making payments to any organisation not on the register of apprenticeship training providers where the total apprenticeship funding they receive exceeds £100,000 in any one year. We will place restrictions on your future use of delivery subcontractors if this occurs.

EP153. We will permanently exclude any organisation from delivering apprenticeship training as a subcontractor where they allow their funding to exceed this total in any one year.

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

EP154. 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.

Reporting your use of delivery subcontractors to us

EP155. You must provide a fully completed [delivery subcontractor declaration](#) form by the dates we will give you. This will be at least twice between 1 April to 31 March each year. If you do not return the form on time, we will suspend your payments. If you do not subcontract, you must still provide a nil return form to confirm this.

Disputes and issue resolution

EP156. You are responsible for resolving issues and disputes between you and your delivery subcontractors.

EP157. Agreements entered into by you must be legally binding. Dispute resolution should be in accordance with the terms of the written agreement, which ultimately would be enforceable through the courts.

EP158. 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

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

EP159. 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](#).

EP160. Approved employer-providers can directly deliver all or part of their apprenticeship training programme to their own employees or those employed by a [connected company or charity](#).

EP161. This delivery can be funded using funds in your apprenticeship service account or government-employer co-investment.

EP162. You must report to the ESFA the full cost of training and assessment including (where required) 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.

EP163. You:

- 163.1. must enter costs for training and end-point assessment (where applicable) 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)
- 163.2. 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 provider are the same entity)
- 163.3. must account for prior learning (you must reduce the content, duration, and cost, 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 (which we show in paragraph EP248.16))
- 163.4. 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
- 163.5. 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

163.6. 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

163.7. 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

EP164. 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.

EP165. 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.

EP166. The only exceptions to this are:

166.1. for English and maths to achieve the required government standard (see paragraphs EP99 to EP116)

166.2. where you qualify for extra support for small employers (see paragraph EP98)

166.3. for any learning support (see paragraphs EP74 to EP80)

166.4. additional payments and disadvantage funding (see paragraphs EP90 to EP97)

EP167. You may subcontract the delivery of part of an apprenticeship to an approved external training provider and should follow the rules set out in paragraphs EP129 to EP158 for subcontracting.

EP168. We will monitor training and end-point assessment costs to ensure that you achieve best value, such as economies of scale, which you should take into consideration when you calculate delivery costs.

EP169. 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

EP170. 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.

EP171. 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 learning activity relevant to the apprenticeship, including:

171.1. all mandatory elements of the framework or

171.2. completing all elements of the end-point assessment for standards

EP172. The deductions from your apprenticeship service account will mirror these payments where funds are available.

EP173. 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)

EP174. Supplies of training which are paid by government funding, including the apprenticeship levy, are exempt from VAT. This includes additional payments (see paragraphs EP90 to EP97). Prices entered onto the ILR should not include VAT.

EP175. 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

EP176. You must only add PAYE schemes for you or your connected companies or charities (according to [HMRC's definition](#)) to your apprenticeship service account.

EP177. Public bodies cannot usually be connected for apprenticeship levy purposes. If you are setting up an apprenticeship service account for a public body, you should only add the PAYE scheme or schemes for one employer, that is, a government department, local authority or non-ministerial department.

EP178. 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.

EP179. 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.

EP180. You must:

180.1. 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)

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

180.3. manage users associated with your account including:

180.3.1. removing users who are not authorised to act on your behalf

180.3.2. controlling who can add users

EP181. 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.

EP182. You must not allow any third party to authorise payments through your apprenticeship service account.

EP183. 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 which 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 value due and when to make a payment.

EP184. If your organisation is subject to structural changes, including mergers and acquisitions, you must follow specific rules relating to the management of the apprenticeship service account. These will be published separately.

Qualifying days for funding

EP185. To qualify for any funds (including learning support) from your apprenticeship service account or government-employer co-investment, the apprentice must be in learning for a minimum of 42 days between the learning start date and learning planned end-date (which for standards is called the final day in legislation).

EP186. Where funding is paid for an apprentice who does not subsequently meet the qualifying period, we will recover the funding from you.

State aid

EP187. Providers who receive funds from, and funds in, your apprenticeship service account and government top-ups to funds in the apprenticeship service account, government-employer co-investment and additional payments, do not fall within the scope of state aid control from 1 May 2017 to 31 July 2018.

EP188. The waiving of the employer contribution for small employers, (see paragraph EP98) is subject to state aid regulations.

EP189. Transfers of funds are subject to state aid regulations. For any transfer an employer receives, 10% of the transferred funds will count towards their de minimis state aid limit.

EP190. You must ensure you complete a state aid declaration for funding you receive. You are responsible for retaining a copy of this declaration in the evidence pack.

Recovery of funds

EP191. 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 is significantly more than the cost of the education and training, we may reduce the amount of funding we pay you after consulting with you.

EP192. 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 additional payments to which you are not entitled.

Apprenticeships funded by transfers of levy funds

Transfers functionality is still being developed. As a result, the rules in this section may be subject to change.

Introduction for employer-providers

EP193. From April 2018, levy-paying employers will be able to transfer up to 10% of their levy funds, which were declared for the previous tax year to other employers, including apprenticeship training agencies (ATAs). The 10% transfer allowance is calculated on declared levy multiplied by English percentage, along with the 10% automatic top up from Government. This allowance is recalculated every tax year.

EP194. Employers receiving transferred funds will only be able to use them to pay for training and assessment for apprenticeship standards, for new starts from 1 May 2018. Employers will not be able to use transferred funds to pay for training and assessment for apprenticeship frameworks, or apprentices that started before 1 May 2018.

Rules for sending employer-providers

EP195. A sending employer-provider is a levy-paying employer-provider who wishes to transfer uncommitted levy funds in their apprenticeship service account to another employer to support their delivery of an apprenticeship standard starting from 1 May

2018. These funds can only be used for the cost of apprenticeship training and assessment.

EP196. 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 10% transfer allowance is calculated on declared levy multiplied by the English percentage, along with the 10% automatic top up from Government. If you are part of an account with connected organisations your 10% transfer allowance will be calculated from the total levy declared by all organisations included within the account. You will not have an individual transfer account.

EP197. Provided you do not exceed the 10% transfer cap, you are able to transfer funds to any number of other employers. This may be limited when the new functionality is introduced in April 2018. Details will be communicated on the transfers page of GOV.UK.

EP198. To send a transfer you must re-sign the ESFA [employer agreement](#).

EP199. You must agree with the receiving employer which apprenticeship standard their chosen apprentice will be undertaking and the price that they have agreed with their chosen provider and end-point assessment organisation. You will need to confirm these details through the apprenticeship service and ensure you do not exceed your 10% transfer cap.

EP200. By agreeing to fund an apprenticeship with a transfer you are committing to fund the apprenticeship until completion. You will not be able to stop payments once you have approved the apprenticeship on the apprenticeship service.

EP201. 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.

EP202. You cannot jointly fund an apprenticeship with another levy-paying employer or employer-provider.

EP203. A transfer of funds will not take place where the receiving employer is eligible for full government funding, because they have fewer than 50 employees and the apprentice is:

203.1 16 to 18 years old; or

203.2 An eligible 19 to 24 year old.

EP204. The eligibility criteria are detailed in the extra support for small employers section of the [apprenticeship funding rules and guidance for employers](#).

EP205. You must not impose conditions on the transfer, such as choosing the receiving employer's training provider or end-point assessment organisation for them.

EP206. You must not seek or accept any incentives or inducements or any other payments not authorised by us in exchange for sending a transfer.

EP207. The funds that you transfer will retain their initial date of expiry; the date of transfer

will not affect this.

EP208. 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.

Rules for receiving employer-providers

EP209. 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.

EP210. You cannot use a transfer to fund an apprenticeship if you are eligible for full government funding because you have fewer than 50 employees and your apprentice is:

210.1 16 to 18 years old; or

210.2 An eligible 19 to 24 year old.

EP211. The eligibility criteria are detailed in the extra support for small employers section of the apprenticeship funding rules and guidance for employers.

EP212. As a transfer of funds will not take place and the apprenticeship will be 100% funded by government, you must not enter these apprenticeships on your apprenticeship service account.

EP213. For the purposes of apprenticeships funded by a transfer, the receiving employer-provider is treated as a levy-paying employer.

EP214. To receive a transfer you must sign the ESFA employer agreement and ensure apprenticeships funded by a transfer follow the rules in this document.

EP215. 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.

EP216. 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 are not a levy-paying employer-provider then you can only use this account for apprentices funded through transferred funds.

EP217. If you already have an apprenticeship service account, you may use this to receive a transfer.

EP218. The rules on what apprenticeship funding can be spent on are set out in the eligible costs section (paragraphs EP81 – EP89).

EP219. Before entering the details on your apprenticeship service account, you must:

219.1 Agree with the sending employer which apprenticeship standard your apprentice will be undertaking; and

219.2 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.

EP220. If you are a levy-paying employer-provider, you must not transfer funds to other employers while you are in receipt of transferred funds.

Delivering the apprenticeship

The commitment statement between the employer-provider and apprentice

EP221. Before the apprenticeship starts you must ensure that the apprentice and you have contributed to and signed a copy of the commitment statement (formerly known as the individual learning plan). This should set out how you will both support the achievement of the apprenticeship. Both parties must keep a current signed and dated version.

EP222. The commitment statement must set out:

- 222.1 the planned content and schedule for eligible training (including end-point assessment if they are undertaking a standard)
- 222.2 what is expected from, and offered by you (and any delivery subcontractors) and the apprentice to achieve the apprenticeship
- 222.3 a short summary, typically no longer than two to three pages, and must include the following as a minimum:
 - 222.3.1 details of the apprenticeship, including start and end-dates for the apprenticeship training and (where applicable) end-point assessment and key milestones for mandatory or other qualification achievements
 - 222.3.2 details on which elements are eligible for funding from your apprenticeship service account or government-employer co-investment and necessary to meet any end-point assessment, those which are extra which will be fully funded by you and those fully funded by the ESFA including English and maths
 - 222.3.3 a list of all organisations delivering the training including English and maths and the end-point assessment organisation (where applicable). (We recognise that in the early months of the new funding system, 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)
 - 222.3.4 roles and responsibilities for you and the apprentice and arrangements for how both parties will work together. This must include contact details and the expected commitment from each party to ensure the smooth running and day-to-

day delivery of the apprenticeship, including, for example:

- for the apprentice: attendance and study time
- employer-provider: commitment to wages and time off to study in the working day, support and guidance available and how to access this

222.3.5 the process for resolving any queries or complaints regarding the apprenticeship, including quality; this must include details of the escalation route within the employer-provider's own organisation and the escalation process to the ESFA through the apprenticeship helpline

Data Protection

EP223. 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.

EP224. 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 (subject to royal assent)."

Starting, participating, completing, and leaving

EP225. You must consider the option of using the [recruit an apprentice](#) service for all new recruits.

225.1 where you advertise on the service you must make it clear in the advert how many hours will be expected and this must meet the minimum duration requirements (see paragraphs EP45 to EP60)

EP226. You must:

226.1 have evidence that learning took place and that the apprentice was not certificated for prior knowledge

226.2 retain evidence that the apprentice has completed their apprenticeship

226.3 where applicable, apply for, and give, apprentices certificates from awarding organisations for achieving a learning aim, and evidence this in the evidence pack

226.4 report and accurately complete all ILR fields for an apprentice

226.5 give accurate unique learner number (ULN) information to the apprenticeship service, awarding organisations and (where required) end-point assessment organisations and ensure all information used to register apprentices is correct

EP227. 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.

EP228. Apprentices who start 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.

Certification

EP229. For frameworks, you must apply for the apprenticeship completion certificate from [Apprenticeship Certificates England](#) within three months of completion of learning.

EP230. For standards, the end-point assessment organisation is responsible for claiming the apprenticeship completion certificate from the ESFA.

Changes to the apprenticeship, main provider or employer

EP231. If any circumstances change you must revise existing agreements or create new agreements. This includes but is not limited to:

- 231.1 changes to price
- 231.2 changes to the apprentice's eligibility
- 231.3 any updates required to your apprenticeship service account
- 231.4 changes to the apprentice's contract or working pattern
- 231.5 changes to the apprenticeship duration

EP232. We will monitor take-up of additional payments and unusual patterns of activity to identify any potential fraud or gaming.

EP233. The apprentice may take a break in learning where they plan to return and this is agreed with you. This could include medical treatment, parental (beyond a person's lawful entitlement to parental and maternity leave), or personal reasons. Annual leave, public holidays and short-term absences must not be recorded as breaks in learning.

EP234. 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.

EP235. 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.

EP236. 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 (see paragraphs EP45 to EP60) are met.

EP237. You can find detailed information on how changes of circumstances affect how funding is calculated in the [apprenticeship technical funding guide](#) for starts from 1 May 2017.

EP238. Please refer to the [ILR guidance](#) for details of how to record these changes in circumstance on the ILR which you can find on our website. We will update this guidance as new changes of circumstance arise. If you need any further advice, please contact us.

Redundancy

EP239. Where an apprentice is made redundant, you must record the change in employment status in the ILR.

Where training or assessment stops

EP240. Where a change of circumstance means that training and/or assessment is no longer being delivered, no further funds from an your apprenticeship service account, government-employer co-investment or additional payments will be made.

EP241. In these circumstances you must calculate the cost of the training and, where applicable, the end-point assessment delivered to date.

EP242. 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.

EP243. If any change of circumstances is not included above, you should seek advice from us about what action you should take. Please email SDE.servicedesk@education.gov.uk

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

	Scenario	Employer-provider action	What happens to training costs, apprenticeship duration and the funding cap?	Additional payments for 16 to 18 and disadvantage
1	Change in cost where the employer-provider has a revised training or assessment cost, or assessment cost is added after start of programme.	<p>The employer-provider enters and approves the new price and effective date in the apprenticeship service.</p> <p>Where the apprenticeship is funded by a transfer, both parties will need to agree the new price in the apprenticeship service.</p>	<p>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.</p>	<p>No changes to additional payments.</p>
2	Break in learning where the apprentice requires a break in their apprenticeship for example: illness, maternity or other personal reason.	<p>The employer-provider records the break in learning on the ILR.</p> <p>When the apprentice restarts the employer-provider records the new start date in the ILR.</p> <p>The employer-provider records the dates of the break in the apprenticeship service.</p>	<p>Funding from your apprenticeship service account or government co-investment stops until apprentice resumes their apprenticeship.</p> <p>Funding is capped across both periods of learning so that the overall earnings do not exceed the funding band maximum.</p> <p>Funding will recommence based on the new start date in the ILR.</p>	<p>All additional payments stop until apprentice resumes their apprenticeship. Any additional payments already made are retained.</p>
3	Apprentice withdraws from the apprenticeship where the apprentice is no longer employed by the employer-provider and has withdrawn from their programme	<p>The employer-provider records the end date on the ILR.</p> <p>The employer-provider stops funding the apprentice from</p>	<p>Funding from the employer-provider's apprenticeship service account or government co-investment stops.</p> <p>Co-investment will be reconciled.</p>	<p>We will stop making further incentive payments but those already made are retained.</p>

	Scenario	Employer-provider action	What happens to training costs, apprenticeship duration and the funding cap?	Additional payments for 16 to 18 and disadvantage
	(not redundancy). or the apprentice chooses to withdraw prior to completion but remains with the employer-provider.	their apprenticeship service account. If the apprenticeship is funded by a transfer, the transfer stops		
4	Change in course where the apprentice starts a new role with the same employer and requires a different apprenticeship programme.	The employer-provider accounts for prior learning when calculating a new cost for training and assessment. The employer-provider enters details of the new programme, cost and effective date in the apprenticeship service. Where the apprenticeship is funded by a transfer, both parties will need to agree the new apprenticeship record in the apprenticeship service.	Funding from the employer-provider's apprenticeship service account or government co-investment stops. Co-investment will be reconciled. Funding from the employer-provider's apprenticeship service account or government co-investment for the second programme is made for the new programme. Each programme price is capped separately.	Additional payments are received once for each apprenticeship.

Evidence requirements

Evidence pack

EP244. The evidence pack must contain evidence to support the funding claimed and must be available to us if we need it.

EP245. Evidence in the evidence pack must assure us that the apprentice exists.

EP246. 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.

EP247. Where information is held centrally, you only need to refer to the source.

EP248. The evidence pack must include the following:

- 248.1 details of the actual cost of training and assessment. By details we mean that it should be clear that only eligible costs have been included in the price.
- 248.2 details of how the 20% 'off-the-job' training', excluding English and maths, will be quantified and delivered. By details we mean a plan of delivery and evidence of delivery taking place against that plan
- 248.3 details of how English and maths will be delivered. By details we mean a plan of delivery and evidence of delivery taking place against that plan
- 248.4 details of employment including the agreed contracted hours of employment, including paid training and 20% 'off-the-job' time, and the total planned length of the apprenticeship
- 248.5 written confirmation from you that the apprentice will be allowed to complete the apprenticeship within their working hours including any English and maths required
- 248.6 the commitment statement signed and dated by you and the apprentice
- 248.7 copies of any state aid declarations and receipt of transferred levy funds
- 248.8 confirmation of eligibility for where the employer contribution is waived including evidence from you that you had an average of 49 or fewer employees with a contract of service in the 365 days before the apprentice was recruited
- 248.9 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 you
- 248.10 a copy of the [apprenticeship agreement](#)
- 248.11 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

- 248.12 your assessment and evidence of eligibility for funding and a record of what evidence the apprentice has provided
- 248.13 confirmation of eligibility for any additional payments including, a signed, original declaration from the apprentice to confirm they are a care leaver, or evidence of an education, health and care plan where the apprentice is aged between 19 and 24 years old
- 248.14 the apprentice's job role, including any significant new skills required for a new role, and that they are not enrolled on another apprenticeship at the same time
- 248.15 all initial assessments for English and maths. Where the apprentice is assessed as exempt from the normal English and maths requirements you must also include:
 - 248.15.1 a copy of the authorisation by an appropriate professional, for example the head of SEN or student support
 - 248.15.2 evidence of how the apprentice's learning difficulty or disability affects their English and/or maths abilities
 - 248.15.3 the apprentice's recommended learning plan to achieve entry level 3 in English and/or maths (as appropriate)
 - 248.15.4 the apprentice's EHC plan or statement of special educational need.
- 248.16 confirmation that you have accounted for prior learning that affects the learning or the funding of any of the apprenticeship and adjusted the price accordingly. This information could include:
 - 248.16.1 information from the individual's [personal learning record](#)
 - 248.16.2 details of previous qualifications including modules/units undertaken compared to the content of the apprenticeship, demonstrating how they are materially different
 - 248.16.3 skills gap analysis, demonstrating the new skills needed by the individual and how the apprenticeship will address these
- 248.17 a description of how you will deliver the apprenticeship and how the apprentice will achieve the standard or framework
- 248.18 the supporting evidence about why you have claimed funding and the level of funding for an apprentice
- 248.19 details of any support needs identified, including an assessment and how you will meet these needs

- 248.20 where ELS is being claimed for an apprentice aged 19 to 24 without an EHC plan, a letter or email from the apprentice's local authority stating the reason(s) why the individual does not need an EHC plan
- 248.21 confirmation that learning has taken place and that records are available
- 248.22 all records and evidence of completion. This must be available within three months of you reporting it in the ILR
- 248.23 details of any subcontractor, clearly identifying who they are. This must match the information reported to us in the ILR
- 248.24 details of any end-point assessment organisation (where applicable), clearly identifying who they are
- 248.25 evidence 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 evidence could include the following:
 - 248.25.1 information from the individual's personal learning record
 - 248.25.2 details of previous qualifications including modules/units undertaken compared to the content of the apprenticeship, demonstrating how they are materially different
 - 248.25.3 skills gap analysis, demonstrating the new skills needed by the individual and how the apprenticeship will address these
- 248.26 any relevant experience and achievements, both inside and outside their current working role
- 248.27 the learning and skills they have to carry out while on their apprenticeship, outside of identified qualifications

Confirmation and signatures

- EP249. Where evidence is electronic, you must have wider systems and processes in place to assure you that apprentices exist and are eligible for funds.
- EP250. 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)

- EP251. You must accurately complete all ILR fields 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.
- EP252. 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

EP253. Where a self-declaration is needed, this must state the apprentice's or your details and describe what is being confirmed.

EP254. If an apprentice self-declares prior attainment, you must check this in the personal learning record (PLR) and query any contradictory information with the apprentice. The PLR will not necessarily override the apprentice's self-declaration. In the event of a missing or incorrect qualification you should refer to the [learner registration bodies \(LRB\) user guide](#).

Annex A: Exceptional eligibility criteria (who we fund)

Exceptional eligibility status

(Please read this together with paragraphs EP61 to EP73)

EP255. Where an individual or relevant family member has applied for an extension to, or variation of, their current immigration permission in the UK they will be treated as if they have that leave. This only applies if the application was made before their current permission expired. Their leave continues until the Home Office make a decision on their immigration application.

EP256. An individual or relevant family member, is considered to have the immigration permission that they held when they made their application for an extension, and their eligibility would be based upon this status.

EP257. Any individual with any of the statuses listed below, is eligible to receive funding and are exempt from the three-year residency requirement rule. You must have seen the individual's immigration permission in these circumstances.

257.1 Refugee status

257.2 Discretionary leave to enter or remain

257.3 Exceptional leave to enter or remain

257.4 Indefinite leave to enter or remain

257.5 Humanitarian protection

257.6 Leave outside the rules

257.7 The husband, wife, civil partner and child of any of the above in this paragraph (that is EP257.1 to EP257.6)

EP258. 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.

EP259. Asylum seekers are eligible to receive funding if:

259.1 they 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

259.2 or they are in the care of the local authority and are receiving local authority support under section 23C or section 23CA of the Children Act 1989 or section 21 of the National Assistance Act 1948

EP260. An individual who has been refused asylum will be eligible if:

260.1 they 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

260.2 or they are granted support for themselves under section 4 of the Immigration and Asylum Act 1999

260.3 or 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

EP261. In the explanations below, the 'principal' is the European Union (EU) or EEA national. The 'family' or 'family member' is the apprentice, and must be the husband, wife, civil partner, child, grandchild, dependent parent or grandparent of the 'principal'.

EP262. If the individual, who is a family member of an EEA national, has been ordinarily resident in the EEA for the three years prior to the start of their course, they are eligible for funding.

EP263. This table shows the eligibility for family members if:

263.1 the family member is now ordinarily resident in England, but has not been ordinarily resident in the EEA for at least the previous three years before the start of learning

263.2 and a principal has been resident within the EEA for the last three years

		Principal ordinarily resident in the EEA for three years		
		EU (including UK) citizen	Non-EU EEA citizen	Non-EEA citizen
Family member not ordinarily resident in the EEA for three years	EU (including UK) citizen	Eligible	Eligible	Not eligible
	Non-EU EEA citizen	Eligible	Not eligible	Not eligible
	Non-EEA citizen	Eligible	Not eligible	Not eligible

EP264. A child of a Turkish worker is eligible if all of the following apply.

264.1 The Turkish worker is ordinarily resident in the UK.

264.2 The Turkish worker is, or has been, lawfully employed in the UK.

264.3 The child has been ordinarily resident in the EEA and/or Turkey for the full three-year period before the start of their programme.

EP265. 16- to 18-year-olds are eligible to be funded for an apprenticeship if any of the following clauses apply.

265.1 They are accompanying or joining parents who have the right of abode, leave to enter or leave to remain in the UK (or accompanying or joining parents who are EEA nationals).

- 265.2 They are the children of diplomats.
- 265.3 They are the children of teachers coming to the UK on a teacher exchange scheme.
- 265.4 They are entering the UK (where not accompanied by their parents) and are British (or EEA) citizens.
- 265.5 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.
- 265.6 They are an asylum seeker.
- 265.7 They are placed in the care of the local authority.
- 265.8 They meet the requirements for any other eligible category in this document.

EP266. 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

EP267. You can access a list of European Union (EU) member states on the EU website.

EP268. Other territories are categorised as being within the European Union for the purposes of the fees regulations; these are as follows.

- 268.1 Cyprus: any Cypriot national living on any part of the island qualifies for EU residency and is considered an EU national
- 268.2 Finland: includes the Aland Islands
- 268.3 France: the French Overseas Department (DOMS) (Guadeloupe, Martinique, French Guiana (Guyana), Reunion and Saint-Pierre et Miquelon) as part of metropolitan France
- 268.4 Germany: includes the former German Democratic Republic and the tax-free port of Heligoland
- 268.5 Portugal: includes Madeira and the Azores but not Macau
- 268.6 Spain: includes the Balearic Islands, the Canary Islands, Ceuta and Melilla
- 268.7 United Kingdom: includes Gibraltar
 - 268.7.1 To note: The Channel Islands and Isle of Man are part of the United Kingdom and Islands but not part of the EU. The Channel Islands and Isle of Man are not classed as part of England for apprenticeship funding purposes.

EP269. Andorra, Monaco, San Marino and the Vatican are not part of the EU.

EP270. For funding eligibility purposes, EEA and eligible overseas dependent territories is defined as all member states of the EU and Iceland, Liechtenstein, Switzerland, Norway and all the eligible British Overseas Territories and EU overseas territories (listed in paragraph EP272 below).

EP271. 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.

EP272. Individuals who are nationals of certain British Overseas Territories and of certain European overseas territories are eligible for funding, depending on the three-year rule on residence in the EEA. These are as follows.

272.1	Anguilla
272.2	Bermuda
272.3	British Antarctic Territory
272.4	British Indian Ocean Territory
272.5	British Virgin Islands
272.6	Cayman Islands
272.7	Falkland Islands
272.8	Henderson Island
272.9	Montserrat
272.10	Pitcairn, Ducie and Oeno Islands
272.11	South Georgia and the South Sandwich Isles
272.12	St Helena and its dependencies
272.13	Turks and Caicos Islands
272.14	Greenland and Faroe Isles
272.15	Antilles (Bonaire, Curacao, Saba, St Eustatius and St Maarten)
272.16	Aruba
272.17	New Caledonia and its dependencies
272.18	French Polynesia
272.19	Saint Barthélemy
272.20	The Territory of Wallis and Futuna Islands
272.21	Mayotte
272.22	French Southern and Antarctic Territories

Annex B: Table of equivalent qualifications accepted for the purposes of prior attainment

Level 2 Apprenticeship			
Qualifications	Subject - English	Subject - maths	Minimum Requirement
GCSE International GCSE	English English language English literature English language and literature	Mathematics Linear maths Modular maths Application of maths Methods in mathematics Additional mathematics Use of mathematics Mathematics - numeracy	E or 2
Functional Skills (Level 1)	English	Mathematics	Pass
Key Skills (Level 1)	Communication Literacy	Application of number	Pass
A Level	English English language English literature English language and literature	Mathematics Pure mathematics Further mathematics Use of mathematics	E
AS Level	English English language English literature English language and literature	Mathematics Pure mathematics Further mathematics Use of mathematics	E
O Level	English language English literature	Mathematics	English E Mathematics C

British Sign Language Regulated Qualifications Framework Level 1 or Scottish Credit & Qualification Framework Level 4	British Sign Language	-	Pass
Essential Skills Wales or Northern Ireland (Level 1)	Essential communication skills	Essential application of number skills	Pass
Scottish Intermediate 1	English	Mathematics	C
Scottish National 4	English literacy	Mathematics	Pass
Scottish Standard Grade General	English	Mathematics	3

Level 3 Apprenticeship			
Qualifications	Subject - English	Subject - maths	Minimum Requirement
GCSE International GCSE	English English language English literature English language and literature	Mathematics Linear maths Modular maths Application of maths Methods in mathematics Additional mathematics Use of mathematics Mathematics - numeracy	C or 4
Functional Skills (Level 2)	English	Mathematics	Pass
Key Skills (Level 2)	Communication Literacy	Application of number	Pass
A Level	English English language English literature English language and literature	Mathematics Pure mathematics Further mathematics Use of mathematics	E
AS Level	English English language English literature English language and literature	Mathematics Pure mathematics Further mathematics Use of mathematics	E
O Level	English language English literature	Mathematics	C
British Sign Language Regulated qualifications framework level 2 Scottish credit and qualification framework level 5	British Sign Language	-	Pass

Essential Skills Wales or Northern Ireland (Level 2)	Essential communication skills	Essential application of number skills	Pass
Scottish Intermediate 2	English	Mathematics	C
Scottish National 5	English Literacy	Mathematics	Pass
Scottish Standard Grade Credit	English	Mathematics	Pass

Glossary

Apprenticeship	An apprenticeship is a job with an accompanying skills development programme. This includes the training and (where required) end-point assessment for an employee as part of a job with an accompanying skills development programme.
Apprenticeship agreement	An apprenticeship agreement between an employer and an apprentice, either in accordance with the Apprenticeships, Skills, Children and Learning Act 2009 sections 32 to 36 (for frameworks) or section A1 (for standards – an approved English apprenticeship agreement).
(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 learning providers and apprenticeship assessment organisations to deliver and facilitate the apprenticeship programme.
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.
Apprenticeship training agency (ATA)	An organisation whose main business is employing apprentices who are made available to employers for a fee.
Apprenticeship levy	The apprenticeship levy will be a levy on UK employers to fund new apprenticeships. In England, control of apprenticeship funding will be put in the hands of employers through the apprenticeship service. The levy will be charged at a rate of 0.5% of an employer's pay bill. Each employer will receive an allowance of £15,000 to offset against their levy payment.
Break in learning	When an individual is not continuing with their apprenticeship but has told the employer beforehand that they intend to resume their apprenticeship in the future.
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.
Contract for service	A contract between a contractor and a client.
Contract of service	A contract between an employee and employer.
Distance learning	Learning delivered remotely (not face-to-face). This could include, but is not limited to, e-learning and webinars.
Earnings adjustment statement (EAS)	The earnings adjustment statement is how providers claim funding that cannot be claimed through the individualised learner record.

Employed	An individual who has a contract of service. This does not include individuals who are self-employed.
Evidence pack	A collection of documents and information brought together to form a single point of reference relating to the learning that is taking place. This provides the evidence to prove that the apprentice exists and is eligible for funding, and for the learning to be provided.
Exceptional learning support (ELS)	Exceptional learning support is when the needs of the apprentice are over £19,000 in a single year.
Final day	The date entered onto the ILR when the apprentice is expected to complete the practical period of their apprenticeship.
Functional skills	Applied practical skills in English, maths and ICT that provide the individual with the essential knowledge, skills and understanding to enable them to operate effectively and independently in life and work.
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 completion of any on-programme mandatory qualifications (where applicable) along with satisfactory evidence (as determined by the employer, in consultation with the training provider) that the apprentice has achieved the necessary knowledge, skills and behaviours set out in the standard.
Higher and degree apprenticeships	An apprenticeship where the main learning is at level 4 or above (including higher education qualifications).
The Hub	The hub provides online services including the return of your ILR and completed EAS. You can also search all learning aims, components of qualifications, apprenticeship frameworks and standards along with their validity and funding details.
Immigration permission	The permissions, or otherwise, granted by the government of the United Kingdom for an individual to reside here.
Individualised learner record (ILR)	The primary data collection requested from learning 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.
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.
Levy-paying employer	An employer with an annual pay bill of over £3 million.

Licence to practise	Where it is a legal (or statutory) requirement for all practitioners to obtain a licence which confirms the licence holder meets prescribed standards of competence, including situations in which it is unlawful to carry out a specified range of activities for pay without first having obtained a licence.
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.
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.
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 term of the apprenticeship agreement , or the period for which the employer and apprentice agree that the apprentice will work and receive training under their approved English apprenticeship agreement .
Register of apprenticeship training providers	From May 2017, levied employers will be able to choose a provider from a new register, the register of apprenticeship training providers (RoATP). The register will encourage diversity and competition in the provider market, supporting quality and employer choice. 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 register of end-point assessment organisations from which an employer can select an organisation (to be contracted by a main provider) to deliver the end-point assessment as part of the employer's agreed apprenticeship programme.
Start of learning	The date on which learning begins. We do not consider enrolment, induction, diagnostic assessment or prior assessment to be part of learning.
Subcontractor	A legal entity that has a contractual relationship with a provider to deliver apprenticeship training funded by us.
Unique learner number	A 10-digit number used to match a learner's achievement to their personal learning record (PLR).
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 re-takes and the transaction of payments.
Zero-hour contracts	Contracts which do not specify a set number of hours for the employee.

© Crown copyright 2018

You may re-use this information (excluding logos) free of charge in any format or medium, under the terms of the Open Government Licence.

To view this licence, visit <http://www.nationalarchives.gov.uk/doc/open-government-licence/> or e-mail: psi@nationalarchives.gsi.gov.uk.

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This document is also available from our website gov.uk/sfa.

If you have any enquiries regarding this publication or require an alternative format, please contact us SDE.servicedesk@education.gov.uk