



Education & Skills  
Funding Agency

# Apprenticeship funding rules for employer-providers

August 2019 to July 2020

Version 2

This document sets out the funding rules for all main providers delivering apprenticeships from 1 August 2019 to 31 July 2020.

[View other apprenticeship funding rules](#)

January 2020

Of interest to employer-providers

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## Introduction and purpose of the document

- EP1** This document sets out the funding rules for employer-providers delivering apprenticeship training and on-programme assessment under the new apprenticeship programme from 1 August 2019.
- 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](#).
- EP3** We use the term ‘you’ to refer to the ‘employer-provider’, that is, any organisation who delivers some, or all, of the ‘off-the-job’ training element of an apprenticeship to their own staff and holds a funding agreement with us through which we directly route funds from your [apprenticeship service](#) account or government-employer co-investment. The employer-provider will have overall responsibility for the training and on-programme assessment conducted by themselves, their delivery subcontractors and will have a contractual relationship for the end-point assessment conducted by an end-point assessment organisation. The payment for the end-point assessment is through the employer-provider.
- EP4** We use the term ‘employer’ to mean an organisation that has a contract of service and an [apprenticeship agreement](#) with an apprentice. This can include an apprenticeship training agency (ATA). This may also include a company or charity whose PAYE scheme the employer has connected to their apprenticeship service account in accordance with HMRC’s definition of [connected companies and charities](#). All references to an ‘employer’ are in relation to the whole organisation and not individual sites or locations.
- EP5** The terms ‘we’, ‘our’, ‘us’ and ‘ESFA’ refer to the Education and Skills Funding Agency.
- EP6** These rules form part of your terms and conditions for the use of funds in your apprenticeship service account or for government-employer co-investment. You must read them in conjunction with your funding agreement with the Secretary of State for Education (acting through the Education and Skills Funding Agency (the ESFA), an executive agency of the Department for Education).
- EP7** The ESFA may make changes to these rules.
- EP8** You must operate within the terms and conditions of your funding agreement, which includes these rules, and the [individualised learner record specification](#). If you do not, you will be in breach of your funding agreement with the ESFA.
- EP9** If you breach your funding agreement, we reserve the right to take action.
- EP10** We will review and monitor whether the training you provide represents good value for money. If we consider that the funds in your apprenticeship service account, or government-employer co-investment, we have provided are significantly more than the cost of the education and training, we may reduce the amount of funding we pay you after consulting with you.
- EP11** We may take action including the recovery of all or part of the government funding from you if we are satisfied that there has been a breach of the funding rules. This

includes where claims are made for funding through your apprenticeship service account, government co-investment or additional payments to which you are not entitled.

- EP12** You can contact us through our [enquiry form](#). You can also contact your employer account manager/adviser.
- EP13** These rules will apply to all apprenticeship programmes starting on or after 1 August 2019. Unless otherwise stated, this includes both apprenticeship frameworks and standards.
- EP14** Any apprenticeship which started before 1 August 2019 will continue to follow the rules in force at the start of the programme. These can be accessed on [GOV.UK](#).

#### **New for 1 August 2019:**

- **EP15 – New Rule:** Apprenticeship delivery must not take place without approval from an associated regulatory body where this is needed.

- EP15** Some occupations require the training provider to be approved by a regulatory body before being able to deliver training for the apprenticeship. We may take action to recover apprenticeship funding where you have delivered training but do not have the necessary approval. For more information on regulated occupations please read [a short guide to regulated occupations for training providers](#).

## **Relevant legislation**

- EP16** These rules constitute funding conditions made under section 101 of the [Apprenticeships, Skills, Children and Learning Act 2009](#) (ASCLA 2009), in connection with the Secretary of State's power to fund English statutory apprenticeships under section 100(1A) (as inserted by the [Enterprise Act 2016](#)).
- EP17** These rules will make clear where necessary how they apply to English statutory apprenticeships taking place on apprenticeship frameworks and apprenticeship standards.

## **Recruit an apprentice**

- EP18** [Recruit an apprentice](#) is a free tool to help you recruit new apprentices into your business. It is not mandatory to use this service.

- EP18.1** Where you advertise, on recruit an apprentice, you must make it clear in the advert how many hours the apprentice will be expected to work per week for the role and how long the apprenticeship will last. This must meet the minimum duration requirement (see paragraphs EP34 to EP45).

## Programme eligibility

### New for 1 August 2019:

- **Programme eligibility** – The title of the section has been changed from “what is an apprenticeship” to “programme eligibility” to more accurately reflect the contents.

## What is an apprenticeship?

### New for 1 August 2019:

- **What is an apprenticeship** – The sub-title of the section has been changed from “a job with training” to “what is an apprenticeship” to more accurately reflect the contents. The section has also been restructured to aid understanding.

**EP19** An apprenticeship is a job with training. Through their apprenticeship, apprentices will gain the technical knowledge, practical experience and wider skills and behaviours they need for their immediate job and future career. The apprentice gains this through formal off-the-job training and the opportunity to practise these new skills in a real work environment.

**EP20** The job, in EP19, must have a productive purpose and should provide the apprentice with the opportunity to embed and consolidate the knowledge, skills and behaviours gained through the apprenticeship

**EP21** You must conduct an initial assessment of the apprentice’s abilities in line with the proposed apprenticeship. Your initial assessment must show that the individual requires significant new knowledge, skills and behaviours to be occupationally competent in the job role.

**EP22** You must be satisfied that the apprenticeship is the most appropriate training programme for the individual; that the training programme aligns to an approved apprenticeship at the most appropriate level and recognition of prior learning has taken place.

**EP23** You must provide the apprentice with appropriate support and supervision to carry out their job role and apprentice.

## Employment contract

**EP24** The apprentice must be engaged with you, or an apprenticeship training agency (ATA), for a period which is long enough for the apprentice to complete the apprenticeship successfully (including, for standards, the end-point assessment). The only exceptions to this are:

**EP24.1** Apprentices who have been made redundant less than six months before the final day of their apprenticeship (see paragraph EP28).

- EP24.2** Apprentices who have been made redundant, with more than six months but less than 12 months of their apprenticeship remaining; these apprentices may seek a further contract of service with a duration of less than 12 months, and we will fund them for up to 12 weeks while they do so (see paragraph EP78).
- EP24.3** Particular office holders, namely constables of English police forces and ministers or trainee ministers of a religious denomination, who are undertaking an alternative English apprenticeship. Except for the requirement to have an apprenticeship agreement and a contract of service in relation to these alternative apprentices, you must comply with all the other rules set out in this document.

## **Apprenticeship agreement between you (as the employer) and the apprentice**

### **New for 1 August 2019:**

- **EP26** – Clarification: An incomplete apprenticeship agreement means an apprentice is not working under an approved English apprenticeship.

**EP25** You must have 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(3) of the [Apprenticeships, Skills, Children and Learning Act 2009](#) (as amended by the [Enterprise Act 2016](#)); for frameworks, this is defined in section 32 of the same Act.

**EP25.1** In relation to standards, the approved English apprenticeship agreement must also set out (i) the amount of time the apprentice will spend in off-the-job training, and (ii) the planned learning end date of the apprenticeship's practical period (called the final day). These requirements are provided for in the [Apprenticeships \(Miscellaneous Provisions\) Regulations 2017](#).

**EP25.2** In relation to frameworks, there must be an apprenticeship agreement in place which (i) meets your duty under section 1 of the Employment Rights Act 1996 and (ii) includes a statement of the skill, trade or occupation for which the apprentice is being trained under the apprenticeship framework. These requirements are provided for in the [Apprenticeships \(Form of Apprenticeship Agreement\) Regulations 2012](#).

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

**EP27** A template apprenticeship agreement is available on [GOV.UK](#). This template does not have to be used but the requirements of the legislation as described above must be met when forming an apprenticeship agreement.



- EP28** 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 (see paragraph EP24.1).
- EP29** The signed apprenticeship agreement must be distributed to both signatories (you and the apprentice) and you must keep a copy of this in the evidence pack, along with any revisions.
- EP30** The start date set out in the apprenticeship agreement must match the date in the commitment statement. Details in the commitment statement must be completed before the apprenticeship agreement can be signed.

## **Apprentice wages**

- EP31** Every apprentice must be paid a lawful wage for the time they are in work and in off-the-job training.
- EP32** You must meet the cost of the apprentice's wages. You can only pay the apprenticeship minimum wage from the start of the apprenticeship programme and not before.
- EP33** You can find information on the [national minimum wage, the apprenticeship rate, and the definition of an employee](#) on GOV.UK.

## **Apprenticeship duration and employment hours**

- EP34** An apprenticeship must provide for a practical period of training that lasts for a minimum duration of 12 months. For example, to satisfy this requirement, an apprentice who starts their training on 1 August 2019 must still be receiving training on 31 July 2020. The apprentice must be involved in active learning throughout an apprenticeship.
- EP35** The framework or standard specification or assessment plan may require this practical period of training to be longer to support the delivery of the full apprenticeship content.
- EP36** For apprenticeship standards, the end-point assessment can only be taken after the minimum duration has been met.
- EP37** You must ensure the apprenticeship meets the minimum duration rules. This includes where the content, negotiated price and/or duration of the apprenticeship has been adjusted to recognise prior learning (see paragraphs EP58 to EP63).
- EP38** 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.
- EP39** The minimum duration of each apprenticeship is based on the apprentice working at least 30 hours a week, including any off-the-job training they undertake.

**EP39.1** If the apprentice works fewer than 30 hours a week you must extend the expected duration of the apprenticeship on the ILR (pro rata) to take account of this. This will also apply to any temporary period of part-time working. You must also extend the apprenticeship agreement.

**EP39.2** Where a part-time working pattern is needed, you must agree with the apprentice the extended apprenticeship duration (see paragraph EP39.3).

**EP39.3** Where part-time working is agreed, you must:

**EP39.3.1** record the agreed average number of hours each week;

**EP39.3.2** evidence why this working pattern is in place; and

**EP39.3.3** extend the minimum duration using the following formula:

- $12 \times 30 / \text{average weekly hours} = \text{new minimum duration in months or}$
- $52 \times 30 / \text{average weekly hours} = \text{new minimum duration in weeks.}$

**EP40** 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.

**EP41** You must allow the apprentice to complete the apprenticeship within their working hours. This includes English and maths if required. You should evidence this in the evidence pack.

**EP42** Zero-hours contracts are acceptable only where they meet all of the other rules in this document.

**EP42.1** For an apprentice with a zero-hour contract you must extend the duration of the apprenticeship in proportion to the hours they work.

**EP42.2** An apprentice with a zero-hours contract must be allowed to complete their apprenticeship in their working hours, including the off-the-job training. Where this is not possible, you must record a break in learning in the apprenticeship.

**EP43** 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 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.

- EP44** The only exceptions to the minimum duration requirement are where an apprentice:
- EP44.1** Is made redundant with more than six, but less than 12 months remaining before their final day. In these cases they may seek a further apprenticeship agreement which takes their prior apprenticeship experience into account. This further agreement may provide for a duration of less than 12 months.
  - EP44.2** Changes their framework pathway / standard option.
  - EP44.3** Transfers between main providers, but remains on the same framework or standard.
  - EP44.4** Returns to the same apprenticeship after a break in learning. (See paragraph EP256)
- EP45** For the exceptions in paragraph EP44 you must have evidence that the total amount of time spent on their apprenticeship, which may include more than one episode of learning, meets the minimum duration requirement.

## Off-the-job training

### New for 1 August 2019:

- **Off-the-job training** - Clarification: The off-the-job training section has been updated, using the terminology found in legislation, to further aid understanding.
- **EP52 – New Rule:** For new starts from 1<sup>st</sup> August the number of planned off-the-job training hours, for the full apprenticeship, must be documented on the individualised learner record.

- EP46** Off-the-job training is a statutory requirement for an English apprenticeship. It is training which is received by the apprentice, during the apprentice's normal working hours, for the purpose of achieving the knowledge, skills and behaviours of the approved apprenticeship referenced in the apprenticeship agreement. By normal working hours we mean paid hours excluding overtime.

- EP46.1** It is not on-the-job training which is training received by the apprentice for the sole purpose of enabling the apprentice to perform the work for which they have been employed. By this we mean training that does not specifically link to the knowledge, skills and behaviours of the apprenticeship.

- EP47** Off-the-job training must be directly relevant to the apprenticeship. It can include the following:

- EP47.1** the teaching of theory (for example, lectures, role playing, simulation exercises, online learning, and manufacturer training);
- EP47.2** practical training, shadowing, mentoring, industry visits, and participation in competitions; or

- EP47.3** learning support and time spent writing assessments/assignments.
- EP48** Off-the-job training does not include:
- EP48.1** training to acquire knowledge, skills and behaviours that are not required in the standard or framework;
  - EP48.2** progress reviews or on-programme assessment required for an apprenticeship framework or standard; or
  - EP48.3** training which takes place outside the apprentice's normal working hours.
- EP49** It is up to you to decide how the off-the-job training is delivered. It can include training that is delivered at the apprentice's normal place of work. It can also include regular day release, block release and special training days/workshops.
- EP50** To be eligible for government funding at least 20% of the apprentice's normal working hours, over the planned duration of the training period within the apprenticeship (for standards this is called the practical period, which ends at the gateway for end-point assessment), must be spent on off-the-job training. Apprentices may need more than 20% off-the-job training.
- EP51** When calculating the required amount of off-the-job training, the apprentice's statutory leave entitlement should be deducted. Employees who work a 5-day week receive at least 28 days paid annual holiday (this is the statutory leave entitlement referred to in this paragraph and is the equivalent of 5.6 weeks of holiday). You should pro-rata this for part time workers. It should be clear to all parties how you have worked out the amount of off-the-job training required to comply with paragraph EP50 and you must record this in the evidence pack.
- EP52** The number of planned off-the-job training hours, for the full apprenticeship, must be documented on the apprenticeship agreement and the commitment statement. For starts on or after 1 August 2019 it must also be documented on the individualised learner record.
- EP53** Evidence must be available to support the delivery of the planned off-the-job training that is set out in the apprentice's commitment statement (see paragraphs EP64 to EP66). It should be clear which elements of the commitment statement have been used towards the calculation of the 20% requirement and which have not (see paragraphs EP47, EP48 and EP54).
- EP54** English and maths training, up to and including level 2, does not count towards the minimum 20% off-the-job training requirement; where required this must be delivered in addition to the minimum requirement.
- EP55** If planned off-the-job training is unable to take place as scheduled, you must ensure this is re-arranged so that the full complement of training set out in the commitment statement can still be delivered. All off-the-job training must take place during normal working hours. Apprentices may choose to spend additional time on training outside these hours, but this must not be required to complete the apprenticeship and must not be included in the 20% calculation.

- EP56** When the apprentice takes a period of leave from their work, for reasons such as medical treatment, maternity or paternity leave, this will be a break in the training they are to receive (a break in learning). You and the apprentice should revise the date in the apprenticeship agreement on which the apprenticeship was expected to have been completed to account for the duration of the break. The duration of the apprenticeship and the amount of off-the-job training needed to meet the 20% requirement would therefore remain the same as though there had been no break in training (break in learning).
- EP57** Further information about off-the-job training can be found at this [link](#).

## Recognition of prior learning and experience

### New for 1 August 2019:

- **Recognition of prior learning and experience** – This section has moved from the “paying for an apprenticeship” section to the “programme eligibility” section. The subtitle of the section has also been changed from “accounting for prior learning” to “recognition of prior learning and experience” to more accurately reflect the contents.

- EP58** Funds must not be used to pay for training for skills, knowledge and behaviours already attained by the apprentice. We may take action to recover apprenticeship funding where this happens.
- EP59** You must account for prior learning and experience when calculating the actual cost of the apprenticeship. You must reduce the content, duration and cost, where the individual has prior learning necessary to achieve the apprenticeship.
- EP60** Where you account for prior learning and experience and the reduction of content would mean the apprenticeship would take less than the minimum duration to complete (as set out in paragraph EP34) or would fail to meet the requirement for the apprentice to spend 20% of their time in off-the-job training (as set out in paragraph EP50) the apprenticeship is ineligible for funding.
- EP61** You must assess the individual’s prior learning and experience before starting the apprenticeship. You must quantify and evidence the proportion of prior learning already attained, quantify the proportion of off-the-job training content that will not be covered, and quantify the amount that the funding will be reduced by.
- EP62** You must include a thorough appraisal of the apprentice’s existing knowledge, skills and behaviours against those required to achieve the apprenticeship. Where applicable, you must include in your appraisal any knowledge, skills and behaviours gained from the following:
- EP62.1** Work experience, particularly where the apprentice is an existing employee;
  - EP62.2** Prior education or training and associated qualifications in a related sector subject area; or
  - EP62.3** Any previous apprenticeship undertaken.

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

## **The commitment statement between the employer-provider and the apprentice**

### **New for 1 August 2019:**

- **The commitment statement** - Clarification: The commitment statement section has been updated to further aid understanding. This includes the use of the term normal working hours (EP66.1) and practical period of training (EP66.3). It is no longer required to include confirmation of funding sources.
- **EP67** – New Rule: A link to the commitment statement template has been added.

- EP64** Before the apprenticeship starts and before the apprenticeship agreement is signed, you and the apprentice must have contributed to and signed a copy of the commitment statement (often known as the individual learning plan). This should set out how all parties (you (as the employer and as the main provider) and the apprentice) will support the achievement of the apprenticeship.

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

- EP66** The commitment statement must set out:

- EP66.1** The name of the apprentice, their job role and their normal working hours. By normal working hours we mean their paid hours excluding overtime.
- EP66.2** Your details (and any subcontractors involved in the delivery of off-the-job training).
- EP66.3** Details of the apprenticeship, including the name of the apprenticeship framework or standard, the level, the start and end-dates for the apprenticeship and (for standards) the dates relating to the practical period of training. The start date set out in the commitment statement must align with the start date in the apprenticeship agreement and the ILR.
- EP66.4** The amount of off-the-job training that will be delivered to meet the minimum 20% requirement (see paragraphs EP47, EP48 and EP54 for what can and cannot be included in this calculation). The individual's prior learning must be taken into account before calculating the off-the-job training requirement and designing the programme.
- EP66.5** The planned content/components and schedule of eligible training (and for standards the end-point assessment). This should include key milestones for mandatory or other qualification achievements. It should also be clear if the component has been used towards the calculation of the minimum 20% off-the-job training requirement.
- EP66.6** A list of all organisations delivering the training content/components, including English and maths, and the end-point assessment

organisation (for standards). We recognise that while new standards continue to be developed, not all end-point assessment organisations will be known at the start of the apprenticeship. The commitment statement must be updated to include these details as soon as they have been confirmed.

**EP66.7** An agreement of what is expected from, and offered by, the apprentice and you as the employer and main provider (and any delivery subcontractors) to achieve the apprenticeship and details of how all parties will work together. This must include contact details and the expected commitment from each party for example:

**EP66.7.1** the apprentice: attendance and commitment to their off-the-job training; and

**EP66.7.2** the employer-provider: commitment to wages, time off to train during working hours, delivery of training, support and guidance.

**EP66.8** Details of progress reviews (employer-provider and apprentice), including the frequency and format, to discuss progress to date against the commitment statement and the immediate next steps required.

**EP66.9** The process for resolving any queries or complaints regarding the apprenticeship, including quality. This must include details of the escalation route within your organisation and the escalation process to the ESFA through the apprenticeship helpdesk (on 08000 150400 or email [nationalhelpdesk@apprenticeships.gov.uk](mailto:nationalhelpdesk@apprenticeships.gov.uk)).

**EP67** A template commitment statement is available on [GOV.UK](https://www.gov.uk). It is not mandatory to use this template.

## Who can be funded?

### New for 1 August 2019:

- **EP80** – New Rule: The funding for concurrent programmes rule has been expanded and moved into “individuals who are not eligible for funding”.

### New for 8 January 2020:

- **EP69.5 – Clarification:** For working hours to be counted in the 50% limit, they must be regular and planned. When determining eligibility at the start of the apprenticeship, you must be confident that the apprentice will spend at least 50% of their working hours in England over the duration of the apprenticeship.

**EP68** 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.

- EP69** To use funds in your apprenticeship service account or government-employer co-investment, the individual must:
- EP69.1** Start their apprenticeship after the last Friday in June of the academic year in which they have their 16th birthday.
  - EP69.2** 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.
  - EP69.3** Not be asked to contribute financially to the cost of training, on-programme or end-point assessment. This includes both where the individual has completed the programme successfully or has left the programme early. Costs include any co-investment or additional training and assessment costs, above the funding band, where this is part of the agreed apprenticeship.
  - EP69.4** Not use a student loan to pay for their apprenticeship. Where an individual transfers to an apprenticeship from a full-time further education or higher education course, and that course has been funded by a student loan, the loan must be terminated by the individual and you must be satisfied that this has occurred.
  - EP69.5** Spend at least 50% of their working hours in England over the duration of the apprenticeship. You must make separate arrangements with the relevant devolved administration if you are planning to deliver apprenticeships to individuals who spend more than 50% of their working hours in a devolved administration over the duration of their apprenticeship, including time spent on off-the-job training. For working hours to be counted in the 50% limit, they must be regular, planned, and known at the start of the apprenticeship. Refer to Annex A (paragraph EP317) for exceptions to this rule.
  - EP69.6** Have the right to work in England.
  - EP69.7** Have an eligible residency status (information can be found in the residency eligibility section in Annex A).
- EP70** 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.
- EP71** You must give accurate unique learner number (ULN) information to the apprenticeship service, awarding organisations and (for standards) end-point assessment organisations and ensure all information used to register apprentices is correct.
- EP72** We will fund an apprentice to undertake an apprenticeship at a higher level than a qualification they already hold, including a previous apprenticeship.



- EP73** 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 EP278.3.
- EP74** The age of the apprentice on the day they start their apprenticeship will be used for all age-based eligibility criteria for that apprenticeship.
- EP75** An apprentice's eligibility will not change during the apprenticeship, unless their employment status also changes (see paragraphs EP247 to EP255).
- EP76** You must reassess an individual for any new apprenticeship.
- EP77** 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 EP256.
- EP78** If an apprentice is made redundant, we will continue to fund their training even if they cannot find another employer.
- EP78.1** Apprentices who are made redundant within six months of their final day will be funded to completion.
- EP78.2** We will also fund apprentices' training for 12 weeks where they are made redundant more than six months, but less than 12 months, from their final day, while they seek a further apprenticeship agreement.

## **Individuals who are not eligible for funding**

- EP79** 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:
- EP79.1** are here illegally;
- EP79.2** 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 in Annex A;
- EP79.3** are non-EEA citizens in the United Kingdom on holiday, with or without a visa;
- EP79.4** have overstayed their immigration or visitor visa;
- EP79.5** 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;
- EP79.6** are ordinarily resident in the Channel Islands or Isle of Man, unless they are also ordinarily resident within England; or

**EP79.7** have a biometric residence permit or residence permit imposing a study prohibition or restriction on the individual.

**EP80** To use funds in your apprenticeship service account or government-employer co-investment, the individual must not:

**EP80.1** be undertaking another apprenticeship;

**EP80.2** be undertaking training funded through AEB, where that training will

**EP80.2.1** replicate vocational and other learning aims covered by the apprenticeship standard or framework, including English and maths;

**EP80.2.2** offer career related training that conflicts with the apprenticeship aims; or

**EP80.2.3** be taking place during working hours. Where an apprentice has more than one job, working hours refers to the hours of the job the apprenticeship is linked to.

**EP80.3** be in receipt of any other direct DfE funding during their apprenticeship programme; this includes any other DfE funded FE/HE programme including programmes funded by a student loan, but excludes funding outlined in EP80.2; or

**EP80.4** undertake any part of an apprenticeship whilst on a sandwich placement as part of a degree programme.

**EP81** As an exception to EP80.2, an individual may commence an apprenticeship, and attract funding, where they have less than four weeks to completion of an existing DfE funded course.

## Apprentices who need access to learning support

### New for 1 August 2019:

- **EP82** – Clarification: Learning support can be used to support identified learning needs directly associated with an apprenticeship, including costs associated with meeting those identified needs in end point assessment.

**EP82** Learning support is available to meet the costs of putting in place a reasonable adjustment, as set out in section 20 of the [Equality Act 2010](#), for apprentices with a learning difficulty or disability where this affects their ability to continue and complete their apprenticeship, including costs associated with meeting identified needs in end point assessment (where applicable). Learning support can only be claimed if it required for this period.

**EP83** We will provide learning support for apprentices with learning difficulties or disabilities as defined in section 15ZA(6) of the [Education Act 1996](#) (as amended

by section 41 of the Apprenticeships, Skills, Children and Learning Act 2009). This includes individuals who self-declare a learning difficulty or disability, and those who do not have a diagnosis of a learning difficulty or disability but in relation to whom the employer-provider has identified to us a learning need.

**EP84** Learning support must not be used to deal with everyday difficulties that are not directly associated with an apprenticeship. If an apprentice needs help at work they may be able to get help from [Access to Work](#).

**EP85** For those that require learning support, you must:

**EP85.1** carry out an assessment to identify the support the apprentice needs;

**EP85.2** deliver support to meet the apprentice's identified needs, and review progress and continuing needs, as appropriate;

**EP85.3** record and gather appropriate evidence to show that the actions in paragraphs EP85.1 and EP85.2 have been completed and outcomes are recorded; and

**EP85.4** report in the ILR that an apprentice has a learning support need and what that support need is.

**EP86** Learning support will be fixed at a monthly rate of £150 when it has been reported in the ILR for the months in which there is an identified learning need. If your costs exceed £150 per month, but less than £19,000 per annum, you can claim via the earnings adjustment statement (EAS). You must use the EAS if your costs are not covered by the monthly rate and you must keep evidence of these costs. You can find further information on the [EAS](#) on GOV.UK.

**EP87** 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.

## **Apprentices who need access to exceptional learning support (ELS)**

**EP88** Apprentices who need significant levels of support to start or continue learning can get access to exceptional learning support if their support costs more than £19,000 in a funding year.

**EP89** You must submit ELS claims to us at the beginning of the apprentices programme, or when you identify the apprentice requires support costs of more than £19,000 in the funding year, by completing and sending the ELS claim form so we can authorise your request. You can access the exceptional learning support cost form on [GOV.UK](#).

# What can be funded?

## Eligible costs

### New for 1 August 2019:

- **Eligible costs** - Clarification: The eligible costs section has been updated to further aid understanding.
- **EP91** – New Rule: [From 1st October 2019](#), new standards must have an EPAO in principle in place before public funding can be accessed for new apprentices

**EP90** Apprentices can only be enrolled against an apprenticeship standard once it is identified as ‘approved for delivery’ on the [Institute for Apprenticeships and Technical Education website](#). You must make sure that the apprenticeship is eligible to access public funds in the employer’s apprenticeship service account or government-employer co-investment before the individual starts. The [hub](#) contains details of all eligible apprenticeships

**EP91** [From 1st October 2019](#), new standards must have an EPAO in principle in place before public funding can be accessed for new apprentices. You must make sure that the apprenticeship is eligible before the individual starts by checking whether the standard has an EPAO in principle in place. It will be clear from ESFA and Institute systems to which standards this applies.

**EP92** Funds from your apprenticeship service account, government-employer co-investment or the additional uplift paid for 16 to 18 year olds on frameworks must only be used for eligible costs directly related to the individual apprenticeship. These funds must only be used to pay for training and assessment, including end-point assessment, to complete an apprenticeship that is eligible for funding up to the limit of the funding band.

**EP93** For organisations that have been accepted onto the [Register of End-Point Assessment Organisations](#) eligible costs for end-point assessment (that can be included in field “TNP2” on the ILR) are set out in the [Conditions of Acceptance](#) document.

**EP94** For employer-providers eligible costs for the delivery of training and on-programme assessment (that can be included in field “TNP1” on the ILR) are limited to the following:

**EP94.1** Evidenced costs for employer-provider delivery or off-the-job training through a main or supporting provider. This could include:

**EP94.1.1** Some or all of the training aspects of a licence to practise or non-mandatory qualification. In both cases there must be a clear overlap between this training and the knowledge, skills and behaviours needed for the apprenticeship

**EP94.1.2** Self-directed distance learning (where it forms only part of the learning experience), interactive online learning (virtual

- classrooms) or blended learning relating to the off-the-job training element of an apprenticeship (see paragraph EP98.6).
- EP94.1.3** Time spent by employees/managers supporting or mentoring apprentices. By this we mean the delivery of knowledge, skills and behaviours directly linked to the apprenticeship.
- EP94.2** Registration, examination and certification costs associated with mandatory qualifications, excluding any licence to practise (see paragraph EP98.9).
- EP94.3** Regular planned on-programme assessments (progress reviews with the apprentice to discuss progress to date against the commitment statement and the immediate next steps required).
- EP94.4** Materials (non-capital items) used in the delivery of the apprenticeship. By materials (non-capital items), we mean the equipment or supplies necessary to enable a particular learning activity to happen. These items would not normally have a lifespan beyond the individual apprenticeship being funded.
- EP94.5** Any administration directly linked to training and assessment, including end-point assessment. This includes costs relating to the ongoing development of existing teaching materials, lesson planning, the management of subcontractors, the processing of the ILR and quality assurance.
- EP94.6** Additional learning and/or the cost to resit an exam linked to a mandatory qualification.
- EP94.7** Additional learning required to retake an end-point assessment.
- EP94.8** Accommodation costs for training delivered through residential modules where the residential training is a mandatory requirement for all apprentices. By mandatory, we mean that there is a specific requirement in the apprenticeship which would apply equally to any apprentice, regardless of their location, employer or main provider (including subcontractors).
- EP94.9** Costs of an apprentice taking part in a skills competition if you have agreed that participation in the competition directly contributes to helping that individual achieve the apprenticeship
- EP95** The costs of taking part in any of the above activities may be included in the total recorded price of training and end-point assessment.
- EP96** If the total price exceeds the maximum of the funding band, the total must be recorded on the ILR. .
- EP97** Any of the eligible costs outlined in paragraph EP94 can be bought in from a third party and we will fund them.
- EP97.1** Where you buy in the delivery of apprenticeship training and/or on-programme assessment from a third party this is subcontracting and

you must follow the subcontracting rules in paragraphs EP151 to EP178.

- EP97.2** Funds from an employer's apprenticeship service account or government co-investment must not be used to fund other services from a third party.

## **Ineligible costs**

- EP98** For employer-providers and the delivery of training and on-programme assessment, ineligible costs include the following:

- EP98.1** Enrolment, employer-provider (or subcontractor) induction, initial assessment, initial diagnostic testing, or similar activity.
- EP98.2** Travel costs for apprentices under any circumstances.
- EP98.3** Apprentice wages.
- EP98.4** Personal protective clothing and safety equipment required by the apprentice to carry out their day-to-day work.
- EP98.5** Development of original teaching materials related to the delivery of a new apprenticeship offer.
- EP98.6** Off-the-job training delivered only by self-directed distance learning.
- EP98.7** Any training, optional modules, educational trips or trips to professional events in excess of those required to achieve the apprenticeship. This includes training solely and specifically required for a licence to practise.
- EP98.8** Any fees to third parties associated with a licence to practise. This includes registration, examination and certification costs. This applies even where a licence to practise is specified in the apprenticeship standard and assessment plan.
- EP98.9** Any fees to awarding bodies for non-mandatory qualifications (qualifications that are not specifically listed in the standard). This includes registration, examination and certification costs.
- EP98.10** Student membership fees that are required by professional bodies, even where linked to mandatory qualifications.
- EP98.11** End-point assessment costs incurred by you. These should be included in the price negotiated between you and the end-point assessment organisation.
- EP98.12** English and maths up to level 2 (this is funded separately).
- EP98.13** Repeating the same regulated qualification where the apprentice has previously achieved it, unless it is a requirement of the apprenticeship or for any GCSE where the apprentice has not achieved grade C, or 4, or higher.

- EP98.14** Accommodation costs where the apprentice is resident away from their home base, because of the requirements of their day-to-day work or because this is convenient for the employer-provider (or subcontractor). Residential costs associated with non-mandatory learning, including qualifications and outward bound activities, are also excluded.
- EP98.15** Capital purchases including lease agreements. Capital purchases are long-term assets that would have a lifespan beyond the apprenticeship being funded, such as land, buildings, machinery and ICT equipment (e.g. tablets and similar electronic devices).
- EP98.16** Maintenance of capital purchases. This includes vehicle parts and labour, insurance and MOT.
- EP98.17** Time spent by employees/managers supporting or mentoring apprentices, where this is not delivering training required as part of the apprenticeship (e.g. generic line management responsibilities)
- EP98.18** Specific services not related to the delivery and administration of the apprenticeship. This includes the recruitment and continuing professional development of staff involved in apprenticeships, company inductions, managing agents, brokerage services (to an employer-provider) and the costs of memberships or other costs paid to employers, or their representatives, associated with procurement registers or opportunities to secure business.
- EP99** You must not pay inducements or any other payment not authorised by us to another training provider or to an end-point assessment organisation in relation to any part of the apprenticeship programme.

## Additional payments

### New for 1 August 2019:

- **EP102** – Clarification: The definition of a child in care has been updated to confirm that a child must have been in the care of a UK local authority.

**EP100** You will receive a payment towards the additional cost associated with training if, at the start of the apprenticeship, the apprentice is:

- EP100.1** aged between 16 and 18 years old (or 15 years of age if the apprentice's 16th birthday is between the last Friday of June and 31 August); or
- EP100.2** aged between 19 and 24 years old and has either an Education, Health and Care (EHC) plan provided by their local authority or has been in the care of their local authority as defined in paragraph EP102.

**EP101** The apprentice will be eligible for a payment if they have been in the care of the local authority as defined in paragraph EP102. See from paragraphs EP110 to EP115 for more information on the care leaver's bursary.

**EP102** A child in care is defined as

**EP102.1** an eligible child - a young person who is 16 or 17 and who has been looked after by the UK local authority/health and social care trust for at least a period of 13 weeks since the age of 14, and who is still looked after;

**EP102.2** a relevant child - a young person who is 16 or 17 who has left care within the UK after their 16th birthday and before leaving care was an eligible child; or

**EP102.3** 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.

**EP103** Before you claim and are paid any additional payments, you must have evidence that you are eligible for them in respect of each apprentice. You must check this and keep evidence in the evidence pack. You must then report the appropriate code in the ILR.

**EP104** Where these payments are for apprentices aged between 19 and 24 years old at the start of their apprenticeship (see paragraph EP100.2), 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:

**EP104.1** a signed email or letter confirmation from a local authority appointed Personal Advisor to confirm they are a care leaver; or

**EP104.2** evidence of an EHC plan.

**EP105** These payments will be paid as follows:

**EP105.1** 90 days after the apprentice starts, 50% will be paid if the apprentice is still undertaking their apprenticeship; and

**EP105.2** 365 days after the apprentice starts, the remaining 50% will be paid if the apprentice is still undertaking their apprenticeship.

**EP106** Employer-providers can receive both employer and main provider payments if they meet the eligibility criteria.

**EP107** 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 or is an eligible 19 to 24 year old. This must only be used to fund the eligible costs described in paragraph EP94. The [Apprenticeship Technical Funding Guide](#) gives more information on how uplifts are paid. You do not have to contribute to this additional funding.

**EP108** 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](#). This additional disadvantage uplift is supplementary to the negotiated price and therefore not impacted by the eligible and ineligible costs listed in paragraphs EP94 to EP99. The



disadvantage uplift should be used on costs to support the apprentice's training, for example on travel costs or personal support.

**EP109** We will monitor take-up of additional payments to identify any potential fraud or gaming.

## Care leavers bursary

**EP110** Apprentices are eligible to receive a £1,000 payment if they have been in the care of a UK local authority as defined in paragraph EP102.

**EP111** You must have evidence that the apprentice is eligible for this payment before you claim or are funded for any associated additional payments for you or the employer. This must be a signed email or letter from a local authority appointed Personal Advisor confirming that the apprentice is a care leaver.

**EP112** You must tell the apprentice that they are eligible for the bursary as a care leaver and give them the opportunity to declare that they would like to access the funding. This signed declaration (see paragraph **Error! Reference source not found.** for more information) must allow the apprentice to confirm that they;

**EP112.1** Understand that they are eligible for and would like to receive a bursary as a care leaver.

**EP112.2** Understand that if they have been found to have accepted the payment incorrectly or if they are ineligible then the government will require it to be repaid.

**EP112.3** Have not been paid a care leavers bursary before. This only includes the care leavers bursary paid to providers by the ESFA; other local incentives do not apply.

**EP113** This is a one-off payment. An eligible apprentice must only receive this payment once. An individual must not receive this funding again if they progress to, or start, another apprenticeship. It is your responsibility to ensure that the apprentice has not received this payment previously. We will also monitor this to ensure that the apprentice receives this payment only once and may reclaim duplicate payments.

**EP114** The bursary payment, due to the apprentice, will be generated 60 days after they start. You must pass this on in full to the apprentice within 30 days of receiving this funding from the ESFA.

**EP115** Once paid, you must evidence that the apprentice has received the bursary payment. This must be a signed confirmation from the apprentice and not a receipt of transaction.

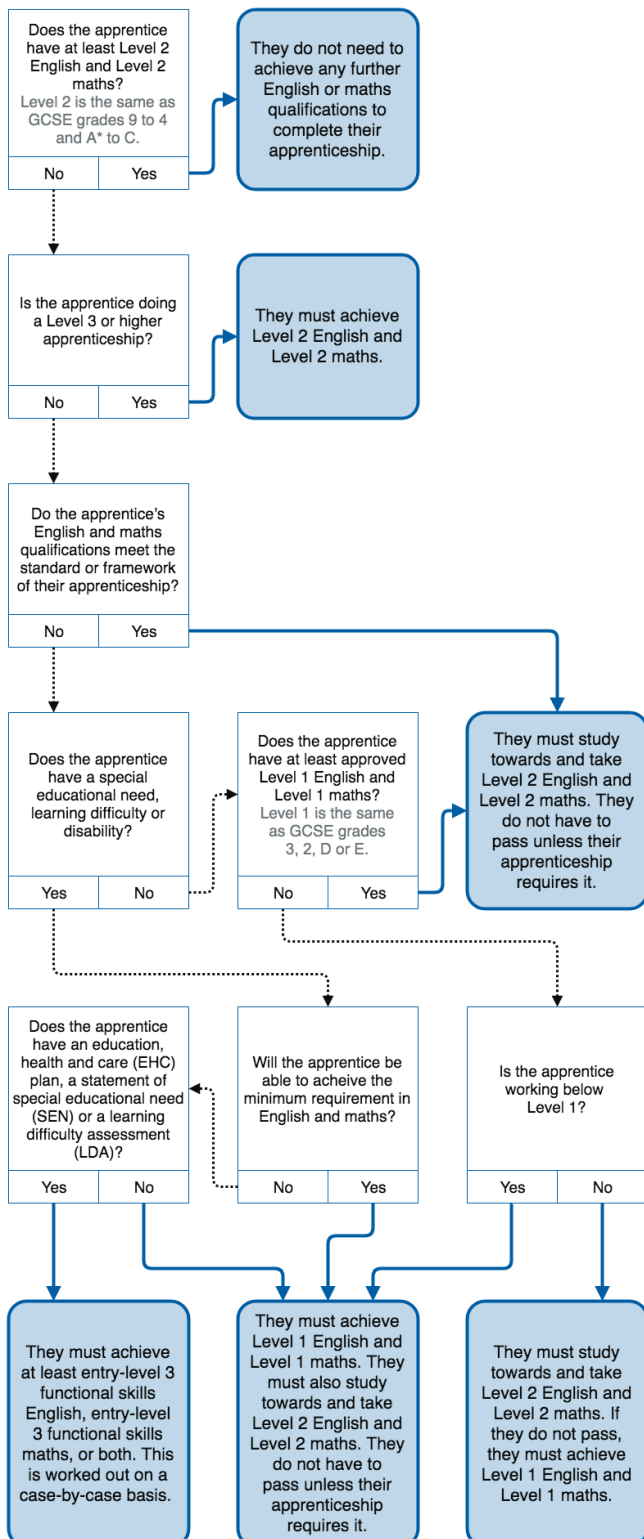
## Extra support for small employers

**EP116** Additional exceptions to these rules apply if you employ fewer than 50 people. You can find further information in the [Apprenticeship funding rules for main training providers](#), August 2019 to July 2020.

## Flow chart: find out if an apprentice needs to do functional skills English and maths

### New for 1 August 2019:

- **English and maths** – New content: A flowchart has been created and added into the funding rules. This flowchart supports the English and maths rules and should be used alongside them.



## Support for English and maths training

**EP117** English and maths are essential to supporting longer-term career prospects. This is why all apprentices must be supported to gain these essential skills and secure recognised qualifications.

### Achievement levels

**EP118** As part of our ambition for a world-class technical education system and in line with recommendations from independent experts, progression towards and attainment of, approved level 2 English and maths qualifications is an important part of the apprenticeship programme. For those undertaking a level 3 or higher apprenticeship, it is a requirement that they hold or achieve an approved level 2 in both subjects before they can successfully complete the apprenticeship.

**EP119** For apprentices undertaking a level 2 apprenticeship:

**EP119.1** We want as many apprentices as possible to achieve level 2 English and maths. We require all apprentices to achieve level 1 (where they haven't already) and work towards this standard and to take the assessments for the achievement of approved level 2 qualifications in these subjects.

**EP119.2** For individuals with special educational needs, learning difficulties or disabilities, who struggle to achieve the regular English and/or maths minimum requirement due to the nature of their difficulty or disability, we will accept achievement of entry level 3 functional skills in English and/or maths (see paragraphs EP131 to EP137 below); and

**EP119.3** You should make every effort to enable apprentices with special educational needs, learning difficulties or disabilities to achieve the minimum English and maths requirements of the specific apprenticeship (as set out in paragraphs EP118 to EP130). This includes appropriate use of access arrangements, reasonable adjustments and other approved qualifications that are detailed in the [2019 to 2020 list of qualifications in the English and maths legal entitlement offer](#).

### What we will fund

**EP120** We will fund an apprentice to achieve up to an approved level 2 qualification in English and maths where they do not already hold a suitable equivalent qualification. Acceptable equivalents are set out in a published list on GOV.UK called '[Acceptable Current and Prior Equivalent Qualifications for English and Maths Minimum Requirements in Apprenticeship Standards at Level 2 and Above](#)'.

**EP121** The ESFA will pay you for this at the single rate set by us for each eligible qualification undertaken. It will not be deducted from the employer's apprenticeship service account or require employer co-investment.

**EP122** 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:

**EP122.1** GCSE English language or maths (or both); or

**EP122.2** Functional skills English or maths at level 2 (or both).

**EP123** For level 2 apprenticeships, where a level 2 qualification in English or maths is not required for the apprenticeship and the apprentice does not already hold the acceptable qualifications for their framework or standard, then you should adopt the following approach and can claim funding for an apprentice in the following scenarios:

**EP123.1 Where the apprentice holds neither level 1 nor level 2 approved qualifications and is judged by you to be working below level 1 standard in English/maths:**

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

You must also ensure that any level 1 training and assessments are taken at an early enough stage in the apprenticeship to allow sufficient time for an apprentice to study towards and take the assessments for the level 2 qualification, after a level 1 has been achieved. Where the apprentice does not achieve the level 2, you can claim only for the training given.

**EP123.2 Where the apprentice does not already hold approved level 1 qualifications, but is judged by the main provider to be working at level 1 standard in English/maths:**

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

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

**EP123.3 Where the apprentice already holds approved level 1 qualifications:**

Apprentices must start, continue to study and take the assessments for a level 2 English and/or maths (functional skills level 2 or GCSE). This

requirement must be fulfilled before the apprentice takes the end-point assessment or achieves an apprenticeship framework.

**EP124** We will fund functional skills English and/or maths at level 1 or below where you (or a subcontractor) has conducted an initial assessment that shows the apprentice needs to study at a lower level before being able to achieve their level 2. The apprentice must be judged to be below level 1 to be funded for a level 1 qualification.

**EP125** In exceptional circumstances, we will fund:

**EP125.1** re-takes of English and/or maths qualifications where apprentices receive further teaching to achieve the required English and/or maths functional skills qualification; and

**EP125.2** [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.

**EP126** If the apprentice is made redundant, they are allowed to continue with their English and/or maths up to and including level 2. You can continue to claim funds at the published apprenticeship English and maths rates.

**EP127** You must not claim funding from the adult education budget for English and/or maths undertaken by an apprentice.

**EP128** Any English and/or maths requirements for the achievement of an apprenticeship standard or framework not set out above must be funded from an employer's apprenticeship service account or through government-employer co-investment.

**EP129** You must provide verifiable evidence of the apprentice's achievement in English and/or maths. For apprenticeship standards, providers must do this as soon as possible, and before the gateway to end-point assessment. Guidance for obtaining acceptable evidence is provided in the evidence pack.

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

**EP130** If an apprentice does not have acceptable evidence of previous attainment of English and/or maths you should carry out a judgement of their current level. You must use current assessment tools based on the national literacy and numeracy standards and core curriculum to do this.

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

**EP131** Individuals should be considered on a case-by-case basis and should satisfy all of the following conditions:

**EP131.1** You expect the apprentice to achieve all other aspects of the apprenticeship requirements, become occupationally competent and achieve entry level 3 functional skills in the adjusted subject(s) before the end of their apprenticeship.

**EP131.2** 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).

- EP131.3** You hold or have conducted an evidenced judgement demonstrating that even with support, reasonable adjustments and stepping stone qualifications, the apprentice, will not be able to achieve English and/or maths to the minimum level within the timeframe projected for them to complete all the occupational elements. This would apply to both frameworks and standards.
- EP132** Depending on the apprentice's individual circumstances and outcome of your judgement, this exception may apply to either English and maths (or both). If the exception applies to only one subject, the regular requirements for the non-adjusted subject will apply.
- EP133** 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.
- EP134** The assessment must be formal and structured and conducted by an appropriate professional associated with you (or a subcontractor), such as the head of SEN or student support. The assessment must be conducted within eight weeks of an apprentice beginning their apprenticeship and must include:
- EP134.1** judgement of the apprentice's current English and maths ability;
  - EP134.2** 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;
  - EP134.3** judgement of the apprentice's ability to meet the regular English and maths requirements even with appropriate support in place;
  - EP134.4** creation of a recommended learning plan to enable the apprentice to achieve entry-level 3 functional skills in the adjusted subject(s) and, where appropriate, to continue to build on their literacy and numeracy skills by accessing further courses; and
  - EP134.5** copies of an education, health and care (EHC) plan, a statement of special educational need (SEN) or a learning difficulty assessment (LDA).
- EP135** You must retain all elements of the judgement in the evidence pack.
- EP136** If the apprentice disagrees with the judgement outcome, you must provide a facility for the apprentice to request a second opinion. You must ensure that a second SEN professional independently reviews the outcome. You may determine the format of the review process.
- EP137** Where the apprentice needs to change to entry level 3 for English and/or maths due to their disability or learning difficulty the main provider should record this in the ILR as a change in the usual way.

## End-point assessments (Apprenticeship standards only)

### New for 1 August 2019:

- **End-point assessments** - Clarification: The end-point assessments section has been updated to further aid understanding.
- **EP140.3** – Clarification: Updated to show that providers can act as a proxy employer for redundant apprentices.

**EP138** 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.

**EP139** Apprentices will not be able to achieve an apprenticeship standard without satisfying all the requirements of its assessment plan, including the end-point assessment.

**EP140** An apprentice can only take the end-point assessment once they have:

**EP140.1** met the minimum duration of the apprenticeship (see paragraph EP45). You must ensure that the entire duration of the apprenticeship standard for both training and end-point assessment is a minimum of 372 days to be eligible for funding;

**EP140.2** satisfied the gateway requirements set out in its assessment plan (including any specific duration criteria); and

**EP140.3** you, as their employer, are content they have attained sufficient knowledge, skills and behaviours to successfully complete the apprenticeship. In the case of an apprentice being made redundant within 6 months of the final day of the practical period (specified in the apprenticeship agreement), any new main provider responsible for the completion of the apprentices training can act as a proxy employer for providing any required employer competency statement.

**EP141** You must ensure that the apprentice is prepared and understands the end-point assessment process. Engaging the end point assessment organisation can be done at any time, but to ensure timely delivery of the end-point assessment no less than 3 months' notice that the apprentice will be ready for the end-point assessment should be given. As part of this process all information required for the end-point assessment should be ready to present to the end-point-assessment-organisation for the gateway

**EP142** The apprentice must be employed until the end-point assessment is completed. The only exception is where the apprentice has been made redundant and we are funding the apprenticeship to completion (see paragraph EP256). Consideration should be given to the potential time needed for any re-sit and/or re-training prior to re-taking the end-point assessment so the apprentice remains employed during this time.



- EP143** At least 3 months before the apprentice reaches the gateway you must have:
- EP143.1** selected an organisation from the [Register of End-Point Assessment Organisations](#) (RoEPAO) to deliver the end-point assessment;
  - EP143.2** negotiated a price with the end-point assessment organisation. Only those organisations listed on the RoEPAO will be eligible to be funded.
- EP144** You are required to complete the ILR field for the assessment price and end point assessment organisation identifier as soon as the price and end point assessment organisation is agreed. These fields should not be completed prior to this.
- EP145** Although you will be involved in arrangements for end-point assessment, the assessment itself must be independent (EP146). Some assessment plans give the employer-provider specific roles but, with the exception of integrated standards, those who have delivered the training cannot make an end-point assessment judgement for that same group of apprentices.
- EP146** The end-point assessment organisation for an integrated degree standard may also be the training provider, although to remain independent the assessment must be conducted by someone who has not been involved in the delivery of the apprenticeship.
- EP147** It is your responsibility to select the end-point assessment organisation and negotiate the price within the funding band for assessment. You must contract with the end-point assessment organisation that you have selected and make payment to them for conducting the end-point assessment. You must lead the relationship with the end-point assessment organisation including where you subcontract the delivery of apprenticeship training. The written agreement must set out the arrangements for sharing relevant information about the apprentice so end-point assessment and certification can take place, including arrangements for any re-takes and payments. This should also include arrangements for a change of circumstances, which may delay, or lead to the cancellation of, the end-point assessment.
- EP148** You must ensure that the costs that you claim for the apprenticeship include the amount needed to pay for the end-point assessment. This includes any cost of external quality assurance of the end-point assessment. Costs for external quality assurance will depend on the body undertaking it. You must ensure that you engage actively with any request for information from the external body, where applicable.
- EP149** Eligible costs for end-point assessment organisations are set out in the [Conditions of Acceptance](#) document for organisations on the RoEPAO.
- EP150** We expect that the cost of end-point assessment will not usually exceed 20% of the funding band maximum. This does not mean that end-point assessment must cost 20%; the cost that individual employers will pay for assessment varies between standards and we expect employers to negotiate with assessment organisations to secure value for money. Where the total negotiated price is higher than the funding band maximum the difference must be paid by you as the employer.



## Contracting and subcontracting

### New for 1 August 2019:

- **EP156** – New Rule: Updated to show the types of delivery subcontractors that can be used
- **EP170 to EP172** – Change to existing rule: Updated to reflect RoATP conditions

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

**EP151** Funding for all elements of each apprenticeship will be routed through you, the employer-provider. This includes funding for English and maths.

**EP152** 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 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 your programme or involve delivery to just a few of a large number of apprentices. You can find further information in the document [Using Subcontractors in the Delivery of Apprenticeships](#).

**EP153** Employer-providers must evidence the actual costs of delivery of apprenticeship training and on-programme assessment (see paragraphs EP181 to EP191).

### Using subcontractors

**EP154** You must take your own legal advice about whether, in subcontracting part of the service delivery, you are a contracting authority awarding a public contract as defined by the [Public Contracts Regulations 2015](#). If you are, then you should comply with the provisions of the 2015 Regulations. You must provide a synopsis of the legal advice for inspection by us.

**EP155** You can use delivery subcontractors to complement your own delivery. Within your apprenticeship programme (conditional on paragraph EP152) delivery subcontractors can deliver full or part-apprenticeship training for frameworks and standards.

**EP156** You must only use delivery subcontractors that satisfy one of the following two criteria:

**EP156.1** they are on the published [Register of Apprenticeship Training Providers](#) and have applied by the main or supporting application routes; or

**EP156.2** 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

- EP157** You must carry out your own due diligence checks on potential delivery subcontractors including taking account of any relevant Ofsted reports. The process and results must be available for inspection by us. You must not use a potential delivery subcontractor's presence on the Register of Apprenticeship Training Providers, or any other public register or database, as an indicator that they are suitable to deliver to your specific requirements.
- EP158** You must not use a delivery subcontractor that you assess as being unsuitable, or whose quality of delivery is demonstrably inadequate.
- EP159** 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.
- EP160** You must not agree the use of any delivery subcontractor where this would require you to subcontract apprenticeship training and/or on-programme assessment to a second level. All of your delivery subcontractors must be contracted directly by you and you may have more than one subcontractor. The restriction on the level of subcontracting is in place to ensure:
- EP160.1** that main providers / employer-providers retain clear and transparent accountability for the quality of training provision;
  - EP160.2** that proper and appropriate controls are in place to manage the apprentice experience; and
  - EP160.3** 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**

- EP161** 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 have subcontracted to them.
- EP162** You carry overall responsibility for the quality of apprenticeship training and on-programme assessment undertaken by your delivery subcontractors.
- EP163** You must manage and monitor all of your delivery subcontractors to ensure that high-quality delivery is taking place that meets our funding rules.
- EP164** 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:
- EP164.1** include whether the apprentices exist and are eligible; and
  - EP164.2** involve direct observation of initial guidance, assessment and delivery of training and/or on-programme assessment.

- EP165** 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.
- EP166** 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**

- EP167** You must have a legally binding contract with each delivery subcontractor.
- EP168** 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.
- EP169** Your contract with each delivery subcontractor must specify the following:
- EP169.1** They must keep to our funding rules.
  - EP169.2** They must provide you with ILR data so that your data returns to us accurately reflect delivery information.
  - EP169.3** 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.
  - EP169.4** They must give you sufficient evidence to allow you to:
    - EP169.4.1** assess their performance against Ofsted's common inspection framework or the requirements of the QAA quality code;
    - EP169.4.2** incorporate the evidence they provide into your self-assessment report; and
    - EP169.4.3** guide the judgements and grades within your self-assessment report.
  - EP169.5** They must always have suitably qualified staff available to provide apprenticeship training and/or on-programme assessment.
  - EP169.6** They must co-operate with you to ensure that there is continuity of learning for apprentices if the subcontract ends for any reason.
  - EP169.7** 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.

**EP169.8** They must not use our funding to make bids for, or claims from, any European funding on their own behalf or on our behalf.

**EP169.9** They must not use payments made by us as match funding for ESF projects.

## **Special conditions for subcontracting to supporting providers**

**EP170** Delivery subcontractors who have successfully applied to the supporting application route of the Register of Apprenticeship Training Providers must not receive more than £500,000, or £100,000 if the delivery subcontractor is identified as new, of apprenticeship funding for their delivery from 1 April to 31 March each year.

**EP171** You must ensure that you are not one of a number of organisations making payments to any supporting provider that exceed £500,000, or £100,000 if the delivery subcontractor is identified as new, in any one year. We will place restrictions on your future use of delivery subcontractors if this happens.

**EP172** We will exclude any supporting provider that has applied to the Register of Apprenticeship Training Providers through the supporting application route where they allow their funding to exceed their respective total in any one year.

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

**EP173** 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**

**EP174** You must provide a fully completed delivery subcontractor declaration 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 make the declaration on time, we will suspend your payments. If you do not subcontract, you must still provide a nil return to confirm this.

**EP175** You must also update your subcontractor declaration if your subcontracting arrangements change during the year.

## **Disputes and issue resolution**

**EP176** You are responsible for resolving issues and disputes between you and your delivery subcontractors.

**EP177** 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.

**EP178** 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

### New for 9 January 2020:

- **EP180 – New Rule:** From 9<sup>th</sup> January 2020, employers who do not pay the apprenticeship levy (and providers on their behalf), will have access to the apprenticeship service to reserve government-employer co-investment for apprenticeships training.

**EP179** The funding method for an apprenticeship is determined at the start of each apprentice's programme. Where you don't not have an apprenticeship service account at the start of the apprenticeship, it will be funded through government-employer co-investment for its duration unless the apprentice changes employer. Even if the employer subsequently becomes a levy-payer, the apprenticeship will not be funded from the employer's apprenticeship service account.

**EP180** From 9<sup>th</sup> January 2020 employers, who do not pay the apprenticeship levy, will be able to have access to the apprenticeship service to reserve government-employer co-investment for apprenticeships. If you want more information on reservation of funds as a main provider, see the "reservations of funds by non-levy employers" section in the main provider funding rules. If you want more information on reservation of funds as an employer, see the "reservations of funds by non-levy employers" section in the employer funding rules.

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

### New for 1 August 2019:

- **EP185.1– Clarification:** Rule amended to clarify that the ILR field should be left blank until the price of the end-point assessment has been confirmed.

**EP181** 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.

**EP182** 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.

**EP183** This delivery can be funded using funds in your apprenticeship service account or government-employer co-investment.

**EP184** 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.

**EP185** You:

**EP185.1** 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). This field in the ILR should be left blank until the price of the end-point assessment has been confirmed

**EP185.2** Must evidence how all costs are calculated (this is for transparency and to ensure value for money - in the case of a main provider and a separate employer there is a negotiation of costs; this cannot be achieved when the employer and main provider are the same entity).

**EP185.3** Must account for prior learning and experience. You must reduce the content, duration, and price where the individual has prior learning necessary to achieve the apprenticeship; funds must not be used to pay for skills already attained by the apprentice - you must document how you have assessed the individual's prior learning and include this in the evidence pack.

**EP185.4** 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.

**EP185.5** 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.

**EP185.6** 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.

**EP185.7** 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.

**EP186** If you evidence costs that are more than the maximum allowed by the funding band for the chosen apprenticeship, then you must pay in full the difference between the band maximum and the total cost. This cannot be funded from the apprenticeship service account or co-investment. The funding bands, and the standards and frameworks placed within them, may be subject to change.

- EP187** 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.
- EP188** The only exceptions to employer co-investment are:
- EP188.1** English and maths, to achieve the required government standard (see paragraphs EP117 to EP137);
  - EP188.2** where you qualify for extra support for small employers (see paragraph EP116);
  - EP188.3** for any learning support for the apprentice (see paragraphs EP82 to EP89);
  - EP188.4** for any additional payments and disadvantage funding (see paragraphs EP100 to EP109); and
  - EP188.5** where you deliver to your own staff as an employer-provider.
- EP189** You may subcontract the delivery of part of an apprenticeship to another organisation and should follow the rules set out in paragraphs EP151 to EP178 for subcontracting.
- EP190** 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.
- EP191** 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**

- EP192** 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.
- EP193** We will pay the remaining balance of the agreed price up to the maximum value of the funding band when the apprentice has undertaken all the activity relevant to the apprenticeship, including:
- EP193.1** All mandatory elements of the framework; or
  - EP193.2** Completing all elements of the end-point assessment for standards.
- EP194** The deductions from your apprenticeship service account will mirror these payments where funds are available.
- EP195** 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)**

- EP196** Supplies of training, or end-point assessment, which are paid by government funding, including the apprenticeship levy, are exempt from VAT. This includes additional payments (see paragraphs EP100 to EP109). Prices entered onto the ILR should not include VAT.
- EP197** 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**

- EP198** You must only add PAYE schemes for you or your connected companies or charities (according to [HMRC's definition](#)) to your apprenticeship service account.
- EP199** 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.
- EP200** 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.
- EP201** 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.
- EP202** You must:
- EP202.1** 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);
  - EP202.2** ensure the PAYE scheme for the apprentice's employer is associated with the same apprenticeship service account which records the apprenticeship for them; and
  - EP202.3** manage users associated with your account including:
    - EP202.3.1** removing users who are not authorised to act on your behalf; and
    - EP202.3.2** controlling who can add users.
- EP203** 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.



- EP204** You must not allow any third party to authorise payments through your apprenticeship service account.
- EP205** As a result of retrospective changes to the amount of apprenticeship levy declared to HMRC, the balance in your apprenticeship service account could go up or down. If an adjustment reduces your balance to a negative value that persists, the ESFA may ask you to pay us this value, discounted by the co-investment rate in place when the apprenticeship started. We will provide you with details of this payment including the amount due and when to make a payment.
- EP206** If your organisation is subject to structural changes including mergers and acquisitions, you must contact us.

## Qualifying days for funding

### New for 1 August 2019:

- **EP208** – Clarification: A rule to confirm that a learner should not be added to the ILR if they have withdrawn without completing one episode of learning has been added to mirror requirements set out in the Provider Support Manual.

- EP207** To qualify for apprenticeship funding the apprentice must be in learning for a minimum of 42 days between the learning start date and learning planned end-date.
- EP208** If a learner withdraws without completing one episode of learning, for example without attending the first class, then they must not be included in the ILR.
- EP209** Where funding is paid for an apprentice who does not subsequently meet the qualifying period, we will recover the funding from you.

## State aid

- EP210** Funds received by employer-providers from your apprenticeship service account (including government top-ups to funds), government-employer co-investment and additional payments do not fall within the scope of state aid control from 1 August 2019 to 31 July 2020.
- EP211** The waiving of the employer contribution for small employers, (see paragraph EP116) is likely to amount to state aid, and the state aid rules will therefore apply to such cases. For more information of State Aid, please click [here](#)
- EP212** Transfers of funds are subject to state aid regulations. For any transfer an employer receives, a percentage of the transferred funds will count towards their de minimis state aid limit. This percentage represents the amount of co-investment you would have otherwise had to contribute towards the apprenticeship, if funds had not been transferred. The percentage rate is dependent on when the apprenticeship started:

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

10%	5%
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**EP213** You must ensure you complete a state aid declaration for funding you receive as a result of the waiver of the employer contribution for small employers and transfers. You are responsible for retaining a copy of this declaration in the evidence pack.

## Apprenticeships funded by transfers of levy funds

### Introduction for employer-providers

#### New for 1 August 2019:

- **EP215** – New Rule: A new exception has been added to allow apprentices, who have changed employers, to continue to be funded via a transfer of levy funds.

#### New for 2 January 2020:

- **EP216** – New Rule: From 2 January 2020, transfer of levy funds can be used to fund those apprenticeships that would normally attract full government funding.

**EP214** Levy-paying employers can transfer a percentage of their levy funds, which were declared for the previous tax year, to other employers, including apprenticeship training agencies (ATAs). The transfer allowance percentage is currently set at 25%.

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

**EP215** Employer-providers receiving transferred funds will only be able to use them to pay for training and assessment for apprenticeship standards, for new apprenticeship starts. A transfer must be agreed and put in place before an apprentice (being funded by the transfer) starts their apprenticeship. The only exception to this is where the apprentice is changing employer and an agreement to continue their apprenticeship with their new employer is via a transfer of levy funds.

**EP216** For apprenticeship starts prior to 2 January 2020, 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:

**EP216.1** 16 to 18 years old; or

**EP216.2** an eligible 19 to 24 year old.

From 2 January 2020, the transfer policy changed and, for starts after this date, these apprenticeships are eligible to be funded by a transfer of levy funds

## Rules for sending employer-providers

- EP217** A sending employer-provider is a levy-paying employer-provider who wishes to transfer levy funds in their apprenticeship service account to another employer to support their delivery of an apprenticeship standard. These funds can only be used for the cost of apprenticeship training and assessment.
- EP218** We will calculate the transfer allowance around the start of each tax year (the calculation is based on the period 12 levy figure declared to HMRC). The transfer allowance is calculated on declared levy multiplied by the English percentage, along with the 10% automatic top up from Government.
- EP219** If you are part of an account with connected organisations, your transfer allowance will be calculated from the total levy declared by all organisations included within the account at the time of the calculation. You will not have an individual transfer account.
- EP220** Provided you do not exceed the transfer cap, you are able to transfer funds to any number of employers.
- EP221** To send a transfer, if prompted, you must re-sign the ESFA employer agreement.
- EP222** 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 main provider and end-point assessment organisation. You will need to confirm these details through the apprenticeship service and ensure you do not exceed your transfer cap.
- EP223** By agreeing to fund an apprenticeship with a transfer you are committing to fund the apprenticeship over its entire duration until completion. You will need to ensure that you have enough transfer allowance to cover these costs over the relevant number of years. You will not be able to stop payments once you have approved the apprenticeship on the apprenticeship service and transfer payments will be deducted from your levy account prior to your own apprenticeships.
- EP224** 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.
- EP225** You cannot jointly fund an apprenticeship with another levy-paying employer or employer-provider.
- EP226** For apprenticeship starts prior to 2 January 2020, 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:
- EP226.1** 16 to 18 years old; or
- EP226.2** an eligible 19 to 24 year old.

The eligibility criteria are detailed in the extra support for small employers section of the [Apprenticeship Funding: Rules and Guidance for Employers](#).

From 2 January 2020, the transfer policy changed and, for starts after this date, these apprenticeships are eligible to be funded by a transfer of levy funds

- EP227** You must not impose conditions on the transfer, such as choosing the receiving employer's main provider or end-point assessment organisation for them.
- EP228** You must not seek or accept any incentives or inducements or any other payments not authorised by us in exchange for sending a transfer.
- EP229** The funds that you transfer will retain their initial date of expiry; the date of transfer will not affect this.
- EP230** 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**

- EP231** 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.
- EP232** For apprenticeship starts prior to 2 January 2020, 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:

**EP232.1** 16 to 18 years old; or

**EP232.2** an eligible 19 to 24 year old.

The eligibility criteria is detailed in the extra support for small employers section of the [Apprenticeship Funding: Rules and Guidance for Employers](#).

From 2 January 2020, the transfer policy changed and, for starts after this date, these apprenticeships are eligible to be funded by a transfer of levy funds

- EP233** For apprenticeship starts prior to 2 January 2020, as a transfer of funds does not take place and the apprenticeship is 100% funded by government, you must not enter these apprenticeships on your apprenticeship service account.

From 2 January 2020, the transfer policy changed and, for starts after this date, these apprenticeships are eligible to be funded by a transfer of levy funds so must be entered on to your apprenticeship service account

- EP234** For the purposes of apprenticeships funded by a transfer, the receiving employer-provider is treated as a levy-paying employer.
- EP235** To receive a transfer, if prompted, you must sign the [ESFA employer agreement](#) and ensure apprenticeships funded by a transfer follow the rules in this document.
- EP236** 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.

- EP237** 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 – if any apprentices, which are not funded through transfers, are entered then you will not receive payment through the apprenticeship service.
- EP238** If you already have an apprenticeship service account, you may use this to receive a transfer.
- EP239** The rules on what apprenticeship funding can be spent on are set out in the eligible costs section (paragraphs EP90 to EP97).
- EP240** Before entering the details on your apprenticeship service account, you must:
- EP240.1** agree with the sending employer which apprenticeship standard your apprentice will be undertaking; and
  - EP240.2** 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.
- EP241** 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**

### **Data protection**

- EP242** 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.
- EP243** Data protection legislation means (i) the Data Protection Act 1998 and, for the periods when they are in force, (ii) the General Data Protection Regulation (Regulation (EU) 2016/679) and the Law Enforcement Directive (Directive (EU) 2016/680) and any applicable national implementing laws as amended from time to time, and (iii) the Data Protection Act 2018.

### **Certification**

- EP244** For frameworks, you must apply for the apprenticeship completion certificate from Apprenticeship Certificates England within three months of completion of learning.
- EP245** For standards, the end-point assessment organisation is responsible for claiming the apprenticeship completion certificate from the ESFA.
- EP246** Where applicable you must apply for, and give, apprentices certificates from awarding organisations for achieving a mandatory qualification and evidence this in the evidence pack.

## Change of circumstance

### New for 1 August 2019:

- **EP250** - Clarification: Information added to clarify what a break in learning is and how to record a break in learning accurately.

### New for 8 January 2020

- **EP249** - New Rule: Where an apprentice is no longer employed they cannot continue with their apprenticeship (with the exception of redundancy) where the break has been longer than 30 days.

**EP247** If any circumstances change you must revise existing agreements or create new agreements. This includes but is not limited to:

**EP247.1** changes to price;

**EP247.2** changes to the apprentice's eligibility;

**EP247.3** any updates required to your apprenticeship service account;

**EP247.4** changes to the apprentice's contract or working pattern;

**EP247.5** changes to the apprenticeship duration;

**EP247.6** changes to subcontractors; or

**EP247.7** breaks in learning.

**EP248** We will monitor take-up of additional payments and unusual patterns of activity to identify any potential fraud or gaming.

**EP249** An apprentice has to be employed continuously for the duration of the apprenticeship. If their employment is terminated, the individual cannot continue with their apprenticeship (with the exception of redundancy) where the break has been longer than 30 days. When employment or an apprenticeship agreement has ended (resignation, dismissal, or any other action by the apprentice or the employer that results in the apprenticeship agreement ending) and new employment hasn't commenced within 30 days, you must notify us that the apprentice has left in line with EP265. If the apprenticeship is re-started rules around minimum duration and recognition of prior learning and experience must be adhered to. Where a new employer is found and employment starts within 30 days, you must manage this using a break in learning to ensure funds are not paid when the apprentice is not employed.

**EP250** The apprentice may take a break in learning where they plan to return to the same apprenticeship programme. The decision to take a break in learning, the reason for the break and its expected duration must be agreed with you. Reasons for taking a break in learning could include medical treatment, parental leave or leave for other personal

reasons. You must record breaks in learning on the ILR and re-plan the delivery of any remaining training and/or assessment following a break, if required. You should revise the apprenticeship agreement if required. A break in learning should not be recorded;

**EP250.1** For annual leave, public holidays and short-term absences (up to 4 weeks);

**EP250.2** When employment or an apprenticeship agreement has ended (redundancy, resignation, dismissal or any other action by the apprentice or the employer that results in the apprenticeship agreement ending). Where an apprentice has been made redundant you should refer to paragraph EP256.

**EP251** 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.

**EP252** 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.

**EP253** 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 EP34 to EP45) are met.

**EP254** 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 August 2019.

**EP255** Please refer to the [ILR guidance](#) for details of how to record these change of circumstances on the ILR. We will update this guidance as new change of circumstance arise. If you need any further advice, please contact us.

## **Redundancy**

**EP256** Where an apprentice is made redundant, you must record the change in employment status in the ILR and stop payments in your apprenticeship service account. The stop date that you apply in your account should correspond with the date the apprentice is made redundant.

## **Where training or assessment stops**

**EP257** Where a change of circumstance means that training and/or assessment is no longer being delivered, no further funds from your apprenticeship service account, government-employer co-investment or additional payments will be made.

**EP258** In these circumstances you must inform us of the date at which training or assessment activity stopped through the ILR.

**EP259** 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.

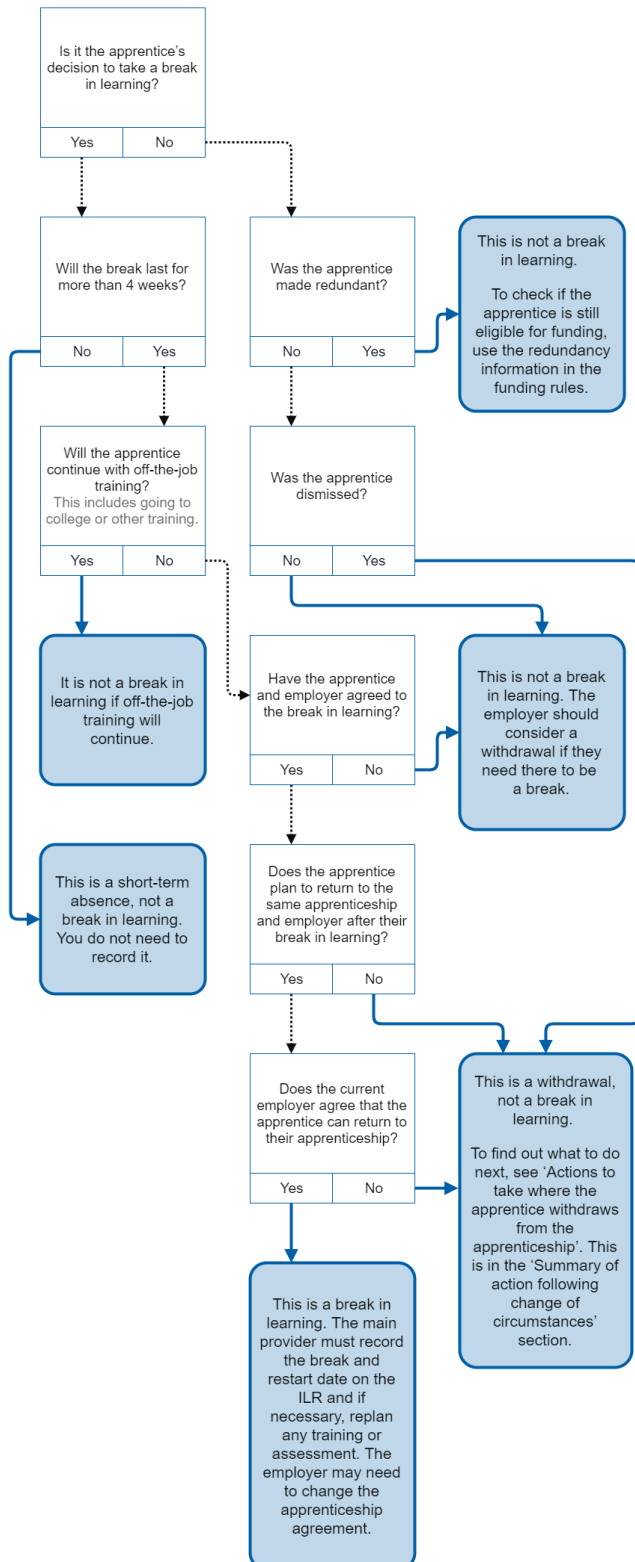
- EP260** When a change of circumstance results in over-payment of funds from your apprenticeship service account or government-employer co-investment, any over-payment must be repaid by you.
- EP261** Apprentices who started their programme before 1 May 2017 must not be withdrawn and re-started onto the same apprenticeship, or another apprenticeship at the same level in a similar subject after 1 May 2017 solely to enable them to be funded by the new funding system. If the apprentice was on a break in learning, they can enrol on a new apprenticeship in the new funding system if it is in their best interests. We will monitor any breaks in learning during this period to identify any abuse of this exception.
- EP262** If any change of circumstances is not included above, you should seek advice from us about what action you should take. Please use our [enquiry form](#).



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

**New for 1 August 2019:**

- **Break in learning** – New content: A flowchart has been created and added into the funding rules. This flowchart supports the rules on break in learning and should be used alongside them.



## Summary of action following a change of circumstances

### New for 1 August 2019:

- **Summary of action following change of circumstances** – Clarification: Information added throughout section to clarify the action taken when a specific change of circumstance occurs.

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

**EP263** The employer-provider must:

- EP263.1** stop payments through their apprenticeship service account;
- EP263.2** review or update the duration of the break as necessary;
- EP263.3** reactivate the apprenticeship in their apprenticeship service account when the apprentice returns to learning;
- EP263.4** extend the practical period of the apprenticeship agreement as required;
- EP263.5** record the break and restart dates in the ILR; and
- EP263.6** calculate a revised price when the apprentice resumes learning and this must be entered on the ILR. If a different price had been entered previously on the apprenticeship service account, the revised price must also be entered here, to correspond with the ILR, entered after the apprentice returns from their break.

#### **Effect on funding**

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

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

**EP264** The employer-provider must:

- EP264.1** evidence the new actual cost;
- EP264.2** confirm the new cost on the apprenticeship service. If funded by a transfer, both the sending and receiving employers will need to agree the new apprenticeship in the apprenticeship service;
- EP264.3** revise agreements and/or the commitment statement as required; and

**EP264.4** update the price on the ILR.

**Effect on funding**

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

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

**EP265** The employer-provider must:

**EP265.1** stop payments through their apprenticeship service account, using a stop date that corresponds with the date the apprentice has withdrawn from their programme. This includes where the apprenticeship is funded by a transfer; and

**EP265.2** record the learning end date of the apprenticeship on the ILR.

**Effect on funding**

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

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

**EP266** The employer-provider must:

**EP266.1** calculate a new price for training and assessment for the new apprenticeship, taking into account relevant learning from the first apprenticeship; and

**EP266.2** enter the details of the new programme, price and effective date on the apprenticeship service. If funded by a transfer, both the sending and receiving employers will need to agree the new apprenticeship in the apprenticeship service.

**Effect on funding**

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

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

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

starts.

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

**EP267** The original employer must stop payments through their apprenticeship service account, using a stop date that corresponds with the date the apprentice changed employer. This includes where the apprenticeship is funded by a transfer.

**EP268** The new employer-provider must:

**EP268.1** agree a price for the remainder of the apprenticeship training and assessment taking into account relevant learning from the first employer. This price should be recorded in the ILR as a 'residual' price;

**EP268.2** register the apprentice on the apprenticeship service, if appropriate, for funding to start;

**EP268.3** confirm arrangements for, and start paying, co-investment if appropriate; and

**EP268.4** contact us if they are unable to register the apprentice on the apprenticeship service.

**EP268.5** if the apprenticeship is now being funded by a transfer, or continuing to be funded by a transfer, then the receiving (new) employer will need to register on the apprenticeship service and the transfer will need to be agreed by the sending employer. For more information on how transfers work, please refer to the 'Apprenticeships funded by transfer of levy funds' section

**EP269** You must not draw down funds in your account or government co-investment for delivery which the ESFA has already paid for with the first employer.

#### **Effect on funding**

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

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

Main provider additional payments remain unchanged. The small employer co-investment waiver will stop if the second employer is not eligible. For the 16 to 18 framework uplift we will keep a history of amounts earned so far, and spread the remainder over the planned length, with 20% of the new total cost held back for completion.

### **Action to take where the apprentice is made redundant with more than 6 months of apprenticeship remaining**

**EP270** The employer-provider must:

**EP270.1** stop payments from their apprenticeship service account, using a stop date that corresponds with the date the apprentice is made redundant. This includes where the apprenticeship is funded by a transfer; and

**EP270.2** retain evidence of when the apprentice was made redundant, and report the change in employment status to us.

#### **Effect on funding**

Funding from the first employer's apprenticeship service account stops.

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

#### **Action to take where apprentice is made redundant with less than 6 months of apprenticeship remaining**

**EP271** The employer-provider must:

**EP271.1** stop payments from their apprenticeship service account, using a stop date that corresponds with the date the apprentice is made redundant. This includes where the apprenticeship is funded by a transfer; and

**EP271.2** retain evidence of when the apprentice was made redundant, and report the change in employment status to us.

#### **Effect on funding**

Funding from the first employer's apprenticeship service account stops.

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

# Evidence requirements

## Evidence pack

### New for 1 August 2019:

- **Evidence pack** – Clarification: The rules have been updated to give more information into the evidence that must be held within the evidence pack.
- **EP277.6**– Clarification: That the evidence requirements relate to quantitative evidence but that providers may also wish to keep qualitative evidence for other purposes.

**EP272** You must hold evidence to assure us that you are using the funding appropriately. Most evidence will occur naturally from your normal business process.

**EP273** The evidence pack must contain evidence to support the funding claimed, assure us that the apprentice exists and must be available to us if we need it.

**EP274** 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.

**EP275** Where information is held centrally, you only need to refer to the source.

## Introduction

**EP276** The evidence pack must include the following:

**EP276.1** Evidence of approval from a regulatory body where a training provider needs to be approved by a regulatory body before delivering apprenticeship training.

## Programme eligibility (including off-the-job training, apprenticeship agreement, commitment statement, apprenticeship duration and employment hours, and recognition of prior learning and experience)

**EP277** The evidence pack must include the following:

**EP277.1** An initial assessment that evidences that the apprenticeship and level is the most appropriate for the apprentice and their existing abilities

**EP277.2** A copy of the apprenticeship agreement that meets the criteria set out in paragraphs EP25 to EP30. To be valid, the template used must provide the following information:

**EP277.2.1** the skill, trade or occupation for which the apprentice is being trained;

**EP277.2.2** the apprenticeship framework or standard connected to the apprenticeship;

- EP277.2.3** the dates during which the apprenticeship and, for standards, the practical period of training (minimum 12 months) is expected to take place; and
- EP277.2.4** the amount of off-the-job training that the apprentice is to receive.
- EP277.3** Confirmation that the apprentice is receiving a wage in line with the national minimum wage requirements and that the apprentice rate was not used prior to a valid apprenticeship agreement being in place.
- EP277.4** Written confirmation from you that the apprentice will be allowed to complete the apprenticeship within their working hours, including any English and maths required.
- EP277.5** A copy of the current commitment statement signed and dated by you and the apprentice. You must also keep previous versions. The commitment statement must meet the criteria set out in paragraph EP66, for example it must include details of how the planned number of off-the-job training hours, excluding English and maths, has been quantified and how it will be delivered. By details we mean a plan of delivery.
- EP277.6** Evidence that delivery has taken place against the commitment statement and that records are available. By delivery we mean how the number of off-the-job training hours compares to the planned training as set out in the commitment statement. You are also advised to keep information on the training content delivered and the distance travelled by the apprentice (what has been achieved by the apprentice as a result of the off-the-job training); whilst this is outside the scope of an ESFA funding audit, it may be required by other parties (such as Ofsted and OfS).
- EP277.7** Confirmation that you have accounted for prior learning, and that where it affects the learning or the funding of any of the apprenticeship that you have adjusted the content, duration and price accordingly.
- EP277.7.1** You must include a copy of the initial assessment recording the apprentice's prior learning measured against the knowledge, skills and behaviours against those required to complete the apprenticeship. This should include (where relevant):
- Work experience;
  - Prior education, training or associated qualification(s) in a related subject area (this must be more than English and maths); and
  - Any previous apprenticeship taken
- EP277.7.2** Confirmation that you have recognised any prior learning, and that where it affects the learning or the funding of any of the apprenticeship that you have detailed the adjustments to the content, duration and price accordingly.

**EP277.7.3** Confirmation that following initial assessment the individual requires an apprenticeship with a minimum duration of 12 months and at least 20% off-the-job training.

**EP277.7.4** In instances where the price content and duration has not been reduced the reasons why this is not possible.

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

### **Learner eligibility**

**EP278** The evidence pack must include the following:

- EP278.1** Confirmation of date of birth to ensure that the apprentice is aged over 15 and confirmation that the apprentice has legally left school. [The school leaving age](#) can be found on GOV.UK
- EP278.2** Confirmation that you have seen the learner's identity documents or immigration permission to verify their residency eligibility in line with Annex A. Confirmation that you are satisfied the learner is eligible for funding and (where necessary) where a learner's permission to stay has expired you must hold evidence that an application to remain has been made.
- EP278.3** Your assessment and evidence of eligibility for funding and a record of what evidence the apprentice has provided, including that the apprenticeship leads to substantive new skills and that the learning is materially different where the apprenticeship is at the same level as, or lower level than, prior qualifications. This assessment must include an analysis of the apprentice's existing knowledge, skills and behaviours versus those required to complete the apprenticeship. This also includes evidence of prior attainment for English and maths. This evidence could include the following:
- EP278.3.1** information from the apprentice's personal learning record, where this information is unavailable or an apprentice is unable to provide evidence of prior attainment please refer to [GOV.UK](#);
- EP278.3.2** evidence of proof of equivalency from [UK Naric](#) where an individual has an international qualification;
- EP278.3.3** details of previous qualifications, including modules / units undertaken compared to the content of the apprenticeship, demonstrating how they are materially different where appropriate;
- EP278.3.4** skills gap analysis, demonstrating the new skills needed by the individual and how the apprenticeship will address these; or
- EP278.3.5** details of any relevant experience and achievements, both inside and outside their current working role.
- EP278.4** Evidence that the apprentice will spend at least 50% of their working hours in England over the duration of the apprenticeship including time spent on off-the-job training. Where the business footprint is larger than England this



could include a roster for a typical month for the apprentice along with written confirmation from the employer.

**EP278.5** Confirmation that the apprentice is not;

**EP278.5.1** enrolled on another apprenticeship

**EP278.5.2** enrolled on a DfE funded HE/FE programme (excluding AEB) where that programme is more than 4 weeks from completion

**EP278.5.3** enrolled on a AEB funded programme where that programme does not comply with rules EP80.

## **Apprentices accessing learning support**

**EP279** Where applicable, the evidence pack must include the following:

**EP279.1** Evidence that an assessment to identify the support the apprentice needs has been carried out. This evidence must include;

**EP279.1.1** The assessment of learning need;

**EP279.1.2** Details of the identified learning support need; and

**EP279.1.3** Confirmation that the learning support need identified must be supported to ensure the individual can complete their apprenticeship.

**EP279.2** Evidence of how you plan to deliver support to meet the apprentice's identified needs.

**EP279.3** Evidence of delivery of support to meet the apprentices identified needs, including;

**EP279.3.1** Evidence to cover all periods where learning support is being paid (learning support will only be paid in months where there is a learning need which requires support and that support activity is continuing to take place).

**EP279.4** Evidence of progress reviews throughout the apprenticeship to adapt the support to continuing and changing needs including evidence to show support has been adapted where necessary.

**EP279.5** Evidence of outcomes of the support offered and how it has supported the identified learning need.

**EP279.6** Additional information where exceptional learning support (ELS) is claimed for an apprentice. In these circumstances, you must also include the application and supporting evidence for the claim.

## **What can be funded (including eligible and ineligible costs, additional payments, support for small employers, and English and maths)**

### **Eligible and ineligible costs**

**EP280** You must include in your evidence:

- EP280.1** A breakdown of the total negotiated price (TNP1), associated with the delivery of training and on-programme assessment, against the headings of any of the eligible costs listed in EP94. This breakdown must not include any ineligible cost. As an employer-provider only actual costs of delivery are permitted.
- EP280.2** The agreed price for end-point assessment (if known) (that will be entered into field TNP2 on the ILR). This is the price that you, as the employer, has negotiated with an end-point assessment organisation.

### **Additional payments (including the care-leaver bursary)**

**EP281** Where applicable, the evidence pack must include the following:

- EP281.1** Confirmation of eligibility for any additional payments, including an email or letter confirmation from a personal advisor or local authority confirming the individual's care leaver status or evidence of an education, health and care (EHC) plan where the apprentice is aged between 19 and 24 years old. Eligibility evidence must include;
  - EP281.1.1** Confirmation of age (where appropriate)
  - EP281.1.2** Evidence of care leaver status (where appropriate) in line with EP102
- EP281.2** For the care leavers bursary, a signed declaration by the apprentice to confirm that they:
  - EP281.2.1** understand that they are eligible for and would like to receive a bursary as a care leaver;
  - EP281.2.2** understand that if they have been found to have accepted the payment incorrectly or when they are ineligible then government will require it to be repaid; and
  - EP281.2.3** have not been paid a care leavers bursary before.
- EP281.3** Evidence of payment to the apprentice where they receive the care-leaver bursary and forwarded within 30 days. This must be a confirmation from the apprentice and not only a receipt of transaction.
- EP281.4** Evidence and copies of receipts for any additional payments you claim.

### **Support for English and maths**

**EP282** Where applicable, the evidence pack must include the following:

- EP282.1** Details of how English and maths will be delivered, including a plan of delivery and evidence of delivery taking place against that plan.

- EP282.2** All initial assessments for English and maths, including evidence of prior attainment.
- EP282.3** Additional information where the apprentice is assessed as exempt from the normal English and maths requirements. In these circumstances you must also include:
- EP282.3.1** a copy of the authorisation by an appropriate professional, for example the head of special education needs (SEN) or student support;
  - EP282.3.2** evidence of how the apprentice's learning difficulty or disability affects their English and/or maths abilities;
  - EP282.3.3** the apprentice's recommended learning plan to achieve entry level 3 in English and/or maths (as appropriate); and
  - EP282.3.4** the apprentice's education, health and care (EHC) plan, statement of special educational need (SEN), or learning difficulty assessment (LDA).

## **Paying for an apprenticeship**

**EP283** The evidence pack must include the following:

- EP283.1** The supporting evidence about why you have claimed funding and the level of funding for an apprentice, it should be clear only eligible costs have been included in the price.
- EP283.2** Copies of any state aid declarations and receipt of transferred levy funds where applicable.
- EP283.3** Evidence of the written agreement with and payments made to the end-point assessment organisation for conducting the end-point assessment where appropriate.
- EP283.4** Evidence of payments where you are paying for apprenticeship training above the funding band maximum.

## **Subcontracting**

**EP284** Where applicable, the evidence pack must include the following:

- EP284.1** details of any subcontractor, clearly identifying who they are. This must match the information reported to us in the ILR; and
- EP284.2** a legally binding contract with each subcontractor.

## **Completion**

**EP285** For frameworks the evidence pack must include records and evidence of completion. This must be available within three months of you reporting it in the ILR. Evidence of completion would include:

- EP285.1** evidence that the apprentice has undertaken all mandatory elements of the framework;
- EP285.2** evidence that the minimum duration requirement has been met; and
- EP285.3** where applicable, evidence that the employer's co-investment has been collected and recorded.

## **End-point assessment**

**EP286** For standards the evidence pack must include records and evidence of completion. This must be available within three months of you reporting it in the ILR. Evidence of completion would include:

- EP286.1** signed statement that the apprentice meets the gateway requirements and is ready to undertake end-point assessment;
- EP286.2** signed statement that the apprentice is still employed until the end-point assessment is completed;
- EP286.3** a copy of the contract between you and the EPAO for the apprentice's end-point assessment; and
- EP286.4** evidence of payments made to the end-point assessment organisation for conducting the end-point assessment.

## **Confirmation and signatures**

**EP287** We accept electronic evidence, including electronic/digital signatures. Where evidence is electronic, you must have wider systems and processes in place to assure you that apprentices exist and are eligible for funds.

**EP288** Where an electronic or digital signature is being held, from any party for any reason, you must ensure it is non-refutable. Systems and processes must be in place to assure to us that the original signature has not been altered. Where any document needs to be renewed, and a new signature taken, it must be clear from when the new document takes affect and both must be held.

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

- EP288.1** An electronic signature is defined as any electronic symbol or process that is associated with any record or document where there is an intention to sign the document by any party involved. An electronic signature can be anything from a check box to a signature.
- EP288.2** A digital signature is where a document with an electronic signature is secured by a process making it non-refutable. It's a digital fingerprint which captures the act of signing by applying security to a document. Usually documents which have a digital signature embedded are extremely secure and cannot be accessed or amended easily.

**EP289** 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)**

**EP290** The evidence pack must include all information reported to us in the ILR and the earnings adjustment statement (EAS), and if it applies, the supporting evidence for the data you report.

**EP291** You must accurately complete all ILR fields for an apprentice as required in the ILR specification, even if they are not used for funding. Where your data does not support the funding you have claimed, we will take action to get this corrected and could recover funds.

**EP292** 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**

**EP293** Where a self-declaration is needed, this must state the apprentice or employer's details and describe what is being confirmed.

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

### New for 8 January 2020:

- **EP297 and EP298** – Restructure: A new UK national section has been added to Annex A. These are not new rules, but are existing rules that have always applied to UK nationals as EU citizens. These have been drawn out to allow us to make eligible residency statuses clearer.

**EP294** To use funds in your apprenticeship service account or government-employer co-investment, the individual must have a valid and eligible residency status.

### Residency eligibility

**EP295** Any individual, or relevant family member, who has applied for an extension or variation of their current immigration permission in the UK is still treated as if they have that leave. Keeping this permission applies as long as the application was made before their current permission expired. Their leave continues until the Home Office make a decision on their immigration application.

**EP296** An individual, or relevant family member, is considered to still have the immigration permission that they held when they made their application for an extension. Their eligibility would be based upon this status.

### UK nationals

**EP297** A UK national is eligible for funding if they:

**EP297.1** Are a citizen of the UK; and

**EP297.2** have been ordinarily resident in the UK or EEA (including other countries determined to be within the EEA or those with bilateral agreements) for at least the previous three years on the first day of the apprenticeship.

**EP298** The eligibility of individuals who do not meet the requirements in paragraph EP297 is stated below.

### EEA citizens

**EP299** An EEA citizen is eligible for funding if they:

**EP299.1** are a citizen of a country within the European Economic Area (EEA) (including other countries determined to be within the EEA or those with bilateral agreements); and

**EP299.2** have been ordinarily resident in the EEA (including other countries determined to be within the EEA or those with bilateral agreements) for at least the previous three years on the first day of the apprenticeship.

**EP300** The European Economic Area (EEA) includes all the countries and territories listed below (from paragraph EP326).

**EP301** Nationals of any EU (or EEA) countries who have been ordinarily resident in the EEA (including other countries determined to be within the EEA or those with bilateral agreements) for at least the previous three years before the first day of the apprenticeship must be treated equally to UK residents while the UK remains part of the EU. When the UK is no longer part of the EU, EEA nationals will still remain eligible for the full funding year 1 August 2019 to 31 July 2020. More details on funding for EU nationals can be found on the "[prepare for Brexit](#)" page on gov.uk.

**EP302** The eligibility of individuals who do not meet the requirements in paragraph EP299 is stated below.

## **Non-EEA citizens**

**EP303** A non-EEA citizen is eligible for funding if they have permission from the UK government to live in the UK (not for educational purposes), and have been ordinarily resident in the UK for at least the previous three years before the start of the apprenticeship.

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

**EP304** Any individual with any of the statuses listed below, is eligible to receive funding and is exempt from the three-year residency requirement rule. You must have seen the individual's immigration permission in these circumstances:

**EP304.1** refugee status;

**EP304.2** discretionary leave to enter or remain;

**EP304.3** exceptional leave to enter or remain (including Calais leave);

**EP304.4** indefinite leave to enter or remain;

**EP304.5** humanitarian protection;

**EP304.6** leave outside the rules;

**EP304.7** section 67 of the Immigration Act 2016; or

**EP304.8** the husband, wife, civil partner and child of any of the above in this paragraph (that is paragraphs EP304.1 to EP304.7).

**EP305** 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.

## **Right of Abode in the UK**

**EP306** The right of abode is a status under United Kingdom immigration law that gives an unrestricted right to live in the United Kingdom. It was introduced by the Immigration Act 1971. Individuals with the right of abode are eligible for funding if

they have been ordinarily resident in the UK for at least the previous three years before the start of the apprenticeship and have the right to work in the UK.

## Asylum seekers

**EP307** Asylum seekers are eligible to receive funding if they:

**EP307.1** have lived in the UK for six months or longer while their claim is being considered by the Home Office, and no decision on their claim has been made; or

**EP307.2** are in the care of the local authority and are receiving local authority support under section 23C or section 23CA of the Children Act 1989 or section 21 of the National Assistance Act 1948.

**EP308** An individual who has been refused asylum will be eligible if they:

**EP308.1** have appealed against a decision made by the UK government against granting refugee status and no decision has been made within six months of lodging the appeal;

**EP308.2** are granted support for themselves under section 4 of the Immigration and Asylum Act 1999; or

**EP308.3** they are in the care of a local authority and are receiving local authority support for themselves under section 23C or section 23CA of the Children Act 1989.

## Family members of EU and EEA nationals

**EP309** 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'.

**EP310** 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.

**EP311** This table shows the eligibility for family members if:

**EP311.1** 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; and

**EP311.2** the 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	EU (including	Eligible	Eligible	Not eligible



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

## Children of Turkish workers

**EP312** A child of a Turkish worker is eligible if;

**EP312.1** the Turkish worker is ordinarily resident in the UK;

**EP312.2** the Turkish worker is, or has been, lawfully employed in the UK; and

**EP312.3** the child has been ordinarily resident in the EEA and/or Turkey for the full three-year period before the start of their programme.

## Persons granted stateless leave

**EP313** A person granted stateless leave is a person who has:

**EP313.1** extant leave to remain as a stateless person under the immigration rules (within the meaning given in section 33(1) of the Immigration Act 1971); and

**EP313.2** been ordinarily resident in the UK and Islands throughout the period since the person was granted such leave. The UK and Islands are; England, Scotland, Wales, Northern Ireland, the Channel Islands and the Isle of Man.

**EP314** A stateless person must:

**EP314.1** be ordinarily resident in the UK on the first day of the apprenticeship; and

**EP314.2** have been ordinarily resident in the UK and Islands throughout the three-year period preceding the first day of the apprenticeship.

**EP315** Certain family members are also eligible under this category:

**EP315.1** the spouse or civil partner of a person granted stateless leave (and who was the spouse or civil partner of that person on the leave application date), who is ordinarily resident in the UK on the first day of the apprenticeship, and who has been ordinarily resident in the UK and Islands throughout the three-year period preceding the first day of the apprenticeship; or

**EP315.2** the child of a stateless person or of the stateless person's spouse or civil partner (and who was the child of that stateless person or the child of the stateless person's spouse or civil partner on the leave application date), was under 18 on the leave application date, is ordinarily resident in the UK on the first day of the apprenticeship, and has been ordinarily resident in the UK and Islands throughout the three-year period preceding the first day of the apprenticeship.

**EP316** 'Leave application date' means the date on which a persons granted stateless leave made an application to remain in the UK as a stateless person under the immigration rules (within the meaning given in section 33(1) of the Immigration Act 1971).

## **Those in the armed forces or outside of England**

**EP317** As an exception, we will also allow the following individuals to be funded from your apprenticeship service account or using government-employer co-investment:

**EP317.1** Armed forces and Royal Fleet Auxiliary personnel to undertake a statutory English apprenticeship wherever they are based in the United Kingdom.

**EP317.2** 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.

**EP317.3** 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.

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

**EP318** 16 to 18 year-olds are eligible to be funded for an apprenticeship if any of the following clauses apply:

**EP318.1** 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);

**EP318.2** they are the children of diplomats;

**EP318.3** they are the children of teachers coming to the UK on a teacher exchange scheme;

**EP318.4** they are entering the UK (where not accompanied by their parents) and are British (or EEA) citizens;

**EP318.5** 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;

**EP318.6** they are an asylum seeker;

**EP318.7** they are placed in the care of the local authority; or

**EP318.8** they meet the requirements for any other eligible category in this document.

**EP319** 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**

**EP320** Member states of the European Union. You can access a list of European Union (EU) member states on the [EU website](#).

**EP321** Other territories are categorised as being within the European Union for the purposes of the fees regulations; these are as follows:

**EP321.1** Cyprus: any Cypriot national living on any part of the island qualifies for EU residency and is considered an EU national;

**EP321.2** Finland: includes the Aland Islands;

**EP321.3** France: the French Overseas Department (DOMS) (Guadeloupe, Martinique, French Guiana (Guyana), Reunion and Saint-Pierre et Miquelon) as part of metropolitan France;

**EP321.4** Germany: includes the former German Democratic Republic and the tax-free port of Heligoland;

**EP321.5** Portugal: includes Madeira and the Azores but not Macau;

**EP321.6** Spain: includes the Balearic Islands, the Canary Islands, Ceuta and Melilla; and

**EP321.7** United Kingdom: includes Gibraltar.

**EP322** 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. The UK, Channel Islands and Isle of Man are collectively referred to as the UK and Islands.

**EP323** Andorra, Monaco, San Marino and the Vatican are not part of the EU.

**EP324** For funding eligibility purposes, EEA and eligible overseas dependent territories are defined as all member states of the EU and Iceland, Liechtenstein, Switzerland, Norway and all the eligible British Overseas Territories and EU overseas territories (listed in paragraph EP326 below).

**EP325** 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.

**EP326** Individuals who are nationals of certain British Overseas Territories and of certain European overseas territories are eligible for funding, ensuring they comply with the three-year rule on residence in the EEA. These are as follows:

- Anguilla

- Bermuda
- British Antarctic Territory
- British Indian Ocean Territory
- British Virgin Islands
- Cayman Islands
- Falkland Islands
- Henderson Island
- Montserrat
- Pitcairn, Ducie and Oeno Islands
- South Georgia and the South Sandwich Isles
- St Helena and its dependencies
- Turks and Caicos Islands
- Greenland and Faroe Isles
- Antilles (Bonaire, Curacao, Saba, St Eustatius and St Maarten)
- Aruba
- New Caledonia and its dependencies
- French Polynesia
- Saint Barthélemy
- The Territory of Wallis and Futuna Islands
- Mayotte
- French Southern and Antarctic Territories

# Glossary

## New for 8 January 2020:

- **Glossary** – Restructure: The glossary has been revised and extended using user research and data from the most common searches within the funding rules.

## 0-9

### **£1000 additional payment**

See '16 to 18 payment'

### **5% co-investment**

See 'Co-investment'

### **5% contribution**

See 'Co-investment'

### **10% co-investment**

See 'Co-investment'

### **10% contribution**

See 'Co-investment'

### **16 to 18 payment**

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

See also 'Additional payments'

### **20% completion payment**

See 'Completion payment'

### **20% off-the-job**

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

### **20% rule**

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

### **30 hours**

See 'Minimum duration'

### **90% contribution**

See 'Co-investment'

### **95% contribution**

See 'Co-investment'

## **A**

### **Account**

See 'Apprenticeship service account'

### **Additional learning needs**

See 'Identified needs'

### **Additional learning support (ALS)**

See 'Learning support'

### **Additional payments**

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

### **Additional qualifications**

See 'Non-mandatory qualifications'

### **Advanced learner loan**

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

### **Annual leave**

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

### **Apprentice**

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

### **Apprentice employment contract**

See 'Contract of service'

### **Apprentice rate**

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

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

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

### **Apprenticeship**

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

### **Apprenticeship agreement**

An apprenticeship agreement is between an employer and an apprentice, either in accordance with the Apprenticeships, Skills, Children and Learning Act 2009 sections 32 to 36 (for

frameworks) or section A1 (for standards – an approved English apprenticeship agreement).

### **Apprenticeship certificate**

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

### **Apprenticeship funding rules**

View all apprenticeship funding rules.

### **Apprenticeship journal**

See 'Evidence pack'

### **Apprenticeship levy**

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

### **Apprenticeship minimum wage**

See 'National Minimum Wage'

### **Apprenticeship service account**

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

See also 'The apprenticeship service'

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

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

### **Assessment**

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

## **B**

### **Block release**

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

### **Break in learning**

When an individual takes a break of at least 4 weeks from their apprenticeship but plans to return to it in the future. For example, illness, maternity leave or parental leave. This does not include bank holidays, annual leave, redundancy or withdrawals.

See also 'Change of circumstances'

## **C**

### **Care certificate**

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

**Care leaver**

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

**Care leaver bursary**

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

See also 'Additional payments'

**Certificates**

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

See also 'Prior learning'

**Changes from the previous document**

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

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

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

**Change of circumstance**

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

**Co-investment**

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

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

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

For apprenticeships that started on or after 1 April 2019, employers pay 5% towards the cost of apprenticeship training. The government will pay the rest (95%).

**Commitment**

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

**Commitment statement**

A statement held by the main provider, the apprentice and their employer. The commitment statement sets out how the apprentice will be supported to successful achievement of the apprenticeship. It must be signed by the apprentice, their employer and the main provider, and all three parties must retain a current signed and dated version.

**Complete early**

When an apprentice completes all their training and assessment (including end point



assessment) before the planned end date recorded by the provider on the ILR. If the apprenticeship has met the minimum 12 month duration, we will pay any outstanding amounts once we have been notified of completion. View the Technical Funding Guide for details about how payments are made.

**Completion payment**

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

**Contract for services**

A contract between a contractor and a client.

**Contract of service**

A contract between an employee and employer.

**Contribution**

See 'Co-investment' or 'Funding band'

**D****DAS**

See 'The apprenticeship service'

**Degree apprenticeship**

An apprenticeship that is done at level 6 or 7 and equivalent to a bachelor's or Master's degree. Apprentices spend part of their time at university and the rest with their employer.

**Delivery subcontractor**

An organisation contracted through a main provider or employer-provider to deliver on-programme assessments, English and maths or off-the-job training to apprentices. This does not include end-point assessment organisations. It also excludes subcontractors you use for different services, including help with marketing or data management, as well as those who deliver training to an apprentice that is in addition to the apprenticeship and not funded through this route.

**Digital account**

See 'Apprenticeship service account'

**Disability**

See 'Learning difficulty or disability (LDD)'

**Disadvantage funding for frameworks**

Additional funding for apprenticeship frameworks. It's based on the apprentice's postcode before they start learning and the Index of Multiple Deprivation (IMD). £600 for apprentices in the 10% most deprived areas, £300 for the 11 to 20% most deprived areas and £200 for the 21 to 27% most deprived areas.

See also 'Additional payments'

**Dismissal**

When an employee's contract of employment is terminated.

**Distance learning**

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

**Double funding**

See 'Individuals who are not eligible for funding'

**E****Earnings adjustment statement (EAS)**

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

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

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

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

**Eligibility**

The criteria an individual must meet to be able to do an apprenticeship and get apprenticeship funding. For example, their age, right to work in England, amount of prior learning and the duration of training needed.

There are also criteria that an apprenticeship training programme must meet.

**Eligible costs**

Costs that directly relate to the delivery of training and on-programme assessment. Eligible costs make up the total negotiated price, which is paid for using funds from either:

- an employer's apprenticeship service account
- government-employer co-investment

**Employee**

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

**Employer**

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

**Employer agreement**

A legally binding agreement between an employer and the Education and Skills Funding Agency (ESFA). Employers must accept this agreement to get or reserve apprenticeship funding.

**Employer-provider**

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

**End-point assessment (EPA)**

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

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

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

**English and maths**

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

**Entry-level**

See 'English and maths'

**Evidence pack**

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

**Exceptional learning support (ELS)**

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

See also 'Learning support'

**F****Frameworks**

An apprenticeship framework for the purposes of the Funding Rules, is a curriculum of learning and includes requirements an apprentice is expected to achieve for a particular skill, trade or occupation. The minimum requirements for an English framework are set out in 'Specification of apprenticeship standards for England' or (SASE).

Apprenticeship frameworks are being replaced by standards. From 1 August 2020, new apprenticeship starts, will be on standards. [Legislation relating to apprenticeship frameworks has been repealed but saved until apprenticeships frameworks are phased out.]

**Functional skills**

A type of English and maths qualification.

See also 'English and maths'

## **Funding agreement**

Throughout this document the term ‘funding agreement’ is used to include:

- the apprenticeship levy provider funding agreement;
- the contract for services between the employer and main provider;
- the contract for services – apprenticeships (between the ESFA and main providers delivering apprenticeships to non-levy- paying employers).

## **Funding band**

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

## **Funding rules**

See ‘Apprenticeship funding rules’

## **G**

### **Gateway requirements**

These are requirements set out in the assessment plan that must be met by the apprentice prior to undertaking end-point assessment of the apprenticeship standard. They will include the completion of English and maths qualifications (where applicable) and any on-programme mandatory qualifications (where applicable) along with satisfactory evidence (as determined by the employer, in consultation with the main provider) that the apprentice has achieved the necessary knowledge, skills and behaviours set out in the standard.

## **GCSE**

See ‘English and maths’ or ‘Prior learning’

### **Government-employer co-investment**

Government-employer co-investment is funding that is not paid for from an employer’s apprenticeship service account (because the employer does not pay the levy or has insufficient levy funds in their apprenticeship service account). Employers will need to make a mandatory co-investment with the government.

## **H**

### **Higher apprenticeships**

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

## **Holiday**

See ‘Annual leave’

## **I**

## **ICT**

See ‘Functional skills’

**Identified needs**

Learning needs that have been identified as part of a needs assessment, which may be eligible for learning support.

See also 'Learning support'

**Illness**

See 'Break in learning'

**Immigration permission**

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

**Incentive payment**

See 'Completion payment'

**Individualised learner record (ILR)**

The primary data collection requested from training providers for further education and work-based learning in England. The data is used widely, most notably by the government, to monitor policy implementation and the performance of the sector. It is also used by organisations that allocate funding for further education.

**Individual learning plan (ILP)**

See 'Commitment statement'

**Inducement**

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

**Ineligible costs**

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

**Initial assessment**

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

**Integrated standard**

An integrated standard is where the end-point assessment is incorporated into the main learning aim (usually a degree or other full higher education qualification). In these cases, there is no need for an additional independent assessment.

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

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

## **L**

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

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

See also 'Learning support'

### **Learning support**

Financial support that providers can claim to help with the cost of any reasonable adjustments directly related to an apprenticeship. Currently a fixed monthly amount of £150. Any extra cost can be claimed through the Earnings Adjustment Statement (EAS).

See also 'Additional payments'

### **Level 1**

See 'English and maths' or 'Functional skills'

### **Level 2**

See 'English and maths' or 'Functional skills'

### **Levy**

See 'Apprenticeship levy'

### **Levy-paying employer**

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

### **Licence to practise**

Where it is a legal (or statutory) requirement for practitioners to have a licence which confirms the licence holder meets certain standards of competence. This includes situations where it is illegal to be paid for a specified range of activities without a licence.

## **M**

### **Main provider**

Any organisation holding a contract with us through which we directly route funds from an employer's apprenticeship service account or government-employer co-investment. The main provider will have the overall responsibility for the training and on-programme assessment conducted by themselves and their delivery subcontractors, and have a contractual relationship on behalf of the employer for the end-point assessment conducted by an end-point assessment organisation. The payment for the end-point assessment organisation is through the main provider.

### **Maternity leave**

See 'Parental leave'

### **Mentoring**

To include in off-the-job training, mentoring must impart new learning to the apprentice directly linked to the achievement of the apprenticeship by a more senior or experienced member of staff. This does not include general line management. The apprentice must not be doing productive work.

**Minimum duration**

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

**Minimum wage**

See 'National Minimum Wage'

**N****National Minimum Wage**

View the National Minimum Wage rates.

See also 'Apprentice rate'

**Non-levy paying employer**

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

**Non-mandatory qualifications**

Qualifications that an apprentice does not require to achieve an apprenticeship. The employer must pay for these qualifications.

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

Learning done outside of an apprentice's normal working duties, but within their working hours. Apprentices must spend at least 20% of their working hours doing OTJ training.

**Online learning**

See 'Distance learning'

**On-programme assessment**

A progress review of what the learner has done compared to the training plan in their commitment statement. It usually involves the learner, provider and employer.

**On-the-job training**

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

For funding purposes, a person who normally lives in the country, is allowed to live there by law, and return there after temporary trips outside the country. Temporary absences from a country due to the learner or a relevant family member working or travelling abroad would be discounted when considering ordinary residency.

**OTJ**

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

**P****Parental leave**

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

See also 'Break in learning'

### **Part time**

See 'Minimum duration'

### **Paternity leave**

See 'Parental leave'

### **Pay bill**

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

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

The personal learning record (PLR) allows individual apprentices access to their past and current achievement records. These can be shared with schools, colleges, further education training providers, universities or employers when making an application to further their education, training and employment.

### **Practical period**

For standards, the practical period refers to the time spent on training and not end-point assessment.

### **Pregnancy**

See 'Parental leave'

### **Previous apprenticeship**

See 'Prior learning'

### **Previous rules**

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

### **Prior learning**

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

See also 'Minimum duration'

### **Progress review**

See 'On-programme assessment'

## **R**

### **Receiving employers**

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

See also 'Transfer of funds'

### **Redundancy**



When an employee's contract of employment is terminated because their employer needs to reduce its workforce. Redundancy is not a break in learning.

See also 'Change of circumstance'

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

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

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

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

### **Resit**

Taking the end-point assessment again, without any extra learning.

### **Retake**

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

### **Review**

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

### **Review visit**

See 'On-programme assessment'

## **S**

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

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

### **Sending employers**

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

See also 'Transfer of funds'

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

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

### **Standards**

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

### **Start of learning**

The date learning begins. This does not include enrolment, induction, diagnostic assessment or prior assessment.

**State aid**

Using taxpayer-funded resources to provide assistance to one or more organisations in a way that gives an advantage over others. For example, grants, loans and tax breaks.

**Statutory leave**

See 'Annual leave'

**Summary of changes**

See 'Changes from the previous document'

**Subcontractor**

A legal entity that has a contractual relationship with a main provider to deliver apprenticeship training funded by us.

**T****The apprenticeship service**

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

**The hub**

A website you can use to send things like ILR returns and earnings adjustment statements to the ESFA. You can also view validity and funding details, learning aims, units and apprenticeships.

**This document**

This document refers to the Apprenticeship Funding Rules for Employer-Providers August 2019 to July 2020.

**Time off**

See 'Annual leave' or 'Off-the-job (OTJ) training'

**Time out**

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

**Total negotiated price (TNP)**

The price negotiated between an employer and main provider for all the eligible costs of an apprentice's training and assessment.

See also 'Eligible costs' and 'Ineligible costs'

**Training**

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

**Training provider**

Organisations that are on the Register of Apprenticeship Training Providers and appointed by an employer and/or holding a current funding agreement with us or contracted through a main provider for the delivery of training and on- programme assessment, as part of the employer's agreed apprenticeship programme. This includes companies, charities, bodies, colleges, universities, sole traders, and other types of legal entity, including those who are in the same group as, or are associated with, the main provider. This excludes individuals who are self-employed or supplied by an employment agency and who are working under the main provider's direction and control, in the same way as an employee.

**Transfer of funds**

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

**Transfer to a new employer**

See 'Change of circumstances'

**Transfer to a new provider**

See 'Change of circumstances'

**U****Unique learner number (ULN)**

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

**Updates**

See 'Changes from the previous document'

**W****Wage**

See 'Apprentice rate'

**Withdrawal**

When an apprentice leaves or stops taking part in their apprenticeship before they have completed it. This could be temporary and the apprenticeship can be restarted. A withdrawal is not a break in learning.

See also 'Change of circumstances'

**Work experience**

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

See also 'Prior learning'

**Working hours**

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

**Written agreement**

The main provider must have a written agreement in place with the assessment organisation and make payment to them for conducting the end-point assessment. The written agreement must set out the arrangements for end-point assessment including arrangements for any retakes and the transaction of payments.

**Z****Zero-hour contracts**

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

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