



Skills Funding  
Agency

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been withdrawn as it is  
out of date**

# Funding Rules 2014 to 2015

## Version 2

This document sets out the rules for funding and associated evidence needed for the funding year 2014 to 2015. These rules will apply from 1 August 2014.

This puts the rules for funding in one place and combines the evidence needed to support them.

May 2014

Of interest to providers and employers



**European Union**  
**European Social Fund**  
Investing in jobs and skills

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## Introduction

This document sets out the funding rules for the 2014 to 2015 funding year, referred to in this document as 2014/2015. The rules form part of the terms and conditions of the funding agreements and the 24+ Advanced Learning Loans Facility Conditions between the Chief Executive of Skills Funding and all providers of education and training who receive funding from the Chief Executive of Skills Funding or a 24+ Advanced Learning Loan (Loan) Facility. The rules can only be changed, in writing, by the Chief Executive of Skills Funding or by those authorised to do so. Any change to these rules will explicitly state that the change has been authorised.

The Chief Executive of Skills Funding (the Chief Executive) is a statutory post established by the Apprenticeships, Skills, Children and Learning (ASCL) Act 2009 and is the legal entity (the organisation legally entitled to enter into contracts) which enters into funding agreements with providers of education and training.

The terms 'we' and 'Skills Funding Agency' refer to the Chief Executive of Skills Funding and her staff.

When we refer to 'you' or 'providers', this includes colleges, training organisations, local authorities and employers who receive funding from us, or through a Loans facility, to deliver education and training. We will use the individual type of provider if the requirements apply only to that specific type of provider.

The funding rules and the funding agreement or the 24+ Advanced Learning Loans Facility Conditions contain the full set of requirements which you as a provider must meet.

We may update the funding rules from time to time but the aim is to publish the rules once a year and to avoid making changes during the year (if possible).

We use the term 'funding agreement' to include the financial memorandum, contract for services, conditions of funding grant and the 24+ Advanced Learning Loans Facility Conditions between the Chief Executive of Skills Funding and all providers.

We use the term 'learner' to cover all those who receive education or training we have funded, either directly from the Chief Executive or through a Loan.

# Section 1 - General funding rules for 2014/2015

## Principles of funding

The rules in this document provide the requirements for providers to make sure public funding is protected in a proportionate way. You must operate within the terms and conditions of the funding agreement and the funding rules. If you break these funding rules you are in breach of (have broken) the funding agreement with the Chief Executive. We will take action as set out in the funding agreement.

This section sets out the principles behind the funding rules that apply to all learning and skills provision which we have funded or which has been funded through a Loan.

We will review whether the education and training you provide represents good value for money. If we consider that the funding we have provided is significantly more than the cost of the education and training, we may, after consulting you, reduce the amount of funding we pay you.

We will continue to use the new simplified funding system which we put in place in 2013/2014. You can find more details in our funding rates and formula document which is available on the [GOV.UK website](#).

1. These funding rules apply to all learners from 1 August 2014, whether they are continuing learning that started before 1 August 2014 or starting new learning aims or programmes on or after 1 August 2014. The only exceptions to this are if:
  - 1.1. the funding rules specifically state that they only apply to those starting a new learning aim, or to continuing learners; or
  - 1.2. the funding rule changes relate to eligibility, as this is determined on the first day a learner starts their learning and so is not affected by any subsequent rule changes.
2. You must only claim funding for learners assessed as eligible for funding as shown in these rules. The detailed eligibility criteria for funding are set out in Annex 1.
3. To be eligible to be funded by us, on the first day of learning a learner must be:
  - 3.1. aged 19 or older on 31 August within the funding year in question (if the learning aim is not an Apprenticeship or Traineeship), or

- 3.2. aged 15 or older and have legally left school (if the learner is an apprentice or on a Traineeship). An apprentice cannot start until after the last Friday in June of the academic year in which they have their 16th birthday. A learner on a Traineeship cannot start until 1 August after they leave Year 11.

(See notes 1 and 2 below.)

4. You must check the eligibility of the learner at the start of each learning aim or programme. Once confirmed as eligible, the learner status for that learning aim or programme will not change for the length of that learning aim or programme unless this relates to the employment status of an apprentice (see page 35). Individuals who are not eligible for funding at the start of a learning aim or programme will continue not to be eligible for that learning aim or programme.
5. You do not need to check the eligibility of learners funded through a Loan, as the Student Loans Company will be responsible for assessing whether the learner is eligible (see paragraphs 371 to 372). However, you must make sure that the learning aim can be funded at the time that the learner starts.
6. You must not claim funding for provision which is fully delivered outside England, unless we give you permission to do so. Eligibility for funding is based on the Education Act 2011, Apprenticeships, Skills, Children and Learning Act 2009, the Education Act 2005, Education (Fees and Awards) (England) Regulations 2007 (Amendment) Regulations 2011 and other appropriate legislation. This rule not only applies to learning delivered on your or the employer's premises, but also to distance learning or learning where a variety of methods and locations are used.
7. When starting learners on a qualification, you must make sure that we have approved the qualification for funding and it appears on the Learning Aim Reference Service (LARS).
8. In the case of Apprenticeships, you must only claim for funding for an apprentice on a framework that has been issued in a published Apprenticeship framework document and is available for public funding on LARS on the date that the apprentice starts.

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Note 1: The age of the learner on 31 August in the funding year in question is only relevant when determining whether the learner is funded by us or the Education Funding Agency. For all other purposes, including eligibility for 24+ Advanced Learning Loans, the age of the learner is that at the start of learning.

Note 2: This does not apply if the learner is eligible under specific funding rules associated with the European Social Fund (ESF) and Community Learning programmes.



9. You (or your subcontractors) must not claim funding for any part of any learner's learning aim or programme that duplicates provision they have received from any other source. This could be from, for example, a different funding stream we provide, another government department (for example, the Work Programme funded by the Department for Work and Pensions), the Education Funding Agency (EFA) or the learner's employer.
10. You must make sure that there is no duplication in the learner's programme. If this does happen because of an overlap in the content of the learning aim, you must reduce the funding you are claiming to reflect the degree of overlap or, in the case of provision funded by a Loan, reduce the fee to the learner.
11. You must make sure that a learner does not repeat learning that they have already carried out to achieve a qualification, unless this is English and maths within an Apprenticeship framework where they must have up-to-date skills.
12. You must make sure that all learners who are funded by us or funded through a Loan have a Learning Agreement (see paragraphs 31 to 40).
13. You must make sure that accurate unique learner number (ULN) information is provided to awarding organisations and that all information used to register learners for qualifications is correct (you can find more information on the [GOV.UK website](https://www.gov.uk)).
14. Eligibility for funding is based on the idea that any learner, of any age, must be able to achieve the learning aim or programme of study within the time that they have available. For example, if you know a learner is planning to leave England in three months and the learning aim is planned to take 12 months to achieve, we cannot provide funding.
15. Sometimes, a learner will already hold qualifications or other certificates that mean that the learner does not have to undergo some or all of the assessment needed for a learning aim. If this is the case, you must reduce the amount of funding you claim for the learning aim by the percentage of assessment that the learner does not need. In the case of a learner funded through a Loan, the fee charged to the learner must be reduced by the same percentage.
16. You must not claim funding for provision, or require a learner to take out a Loan, if you use Recognition of Prior Learning (RPL) instead of learning in order to meet the awarding organisation's full requirements for achieving the learning aim.
17. You must not claim funding where a learner only resits a learning aim assessment or examination and no extra learning takes place.

## Recognition of Prior Learning

Recognition of Prior Learning (RPL) is an assessment method that considers whether a learner can demonstrate that they can meet the requirements for a unit or qualification through knowledge, understanding or skills they already have and so do not need to develop through a course of learning (if the learner has not achieved a qualification to demonstrate this). It is a way of recognising learning that the person has achieved before starting a course leading to a formal qualification and involves the person and you identifying appropriate achievement evidence from a range of activities and using an appropriate assessment methodology.

18. For any learning aim outside of an Apprenticeship framework, as long as less than half of the qualification is assessed using RPL, you can claim the usual amount of funding for that learning aim. In the case of provision funded by a Loan, there is no need to reduce the fee to the learner.
19. However, if 50% or more of a qualification is assessed using RPL you must reduce by 50% the funding for the proportion of the qualification assessed using RPL. In the case of provision funded by a Loan, you must reduce the fee to the learner by 50% of the funding for the proportion of the qualification assessed using RPL.
20. Separate arrangements are in place for English, maths and ESOL. See paragraphs 84 to 90.
21. If RPL is used for any part of the assessment for a qualification within an Apprenticeship framework, the funding for the qualification must be reduced by the proportion of the qualification which is assessed using RPL.

## European Social Fund (ESF) match funding

22. As an ESF Co-financing Organisation, we must match our ESF funds with money from the UK Government (that is, our mainstream programme funds). We must use some of the funding we get from the Government to pay for an amount of training and support that is equivalent to our ESF allocation.
23. We find this match funding from our mainstream programmes that are eligible for the ESF programme. We identify activity that improves the skills of the workforce and helps people who have difficulties finding work. We must report this match funding and the associated learners within our funding claims to the ESF Managing Authority in England.
24. When we identify funds as match funding, the learning activity and its associated funding become part of the ESF programme, so they are also

governed by the requirements of the ESF programme. If you have a contract from us to deliver training and support with funding from our mainstream budget, we will tell you if we use any of that activity as match funding for ESF. If we do this, you must keep to the rules in the ESF programme. This includes:

- 24.1. displaying an ESF plaque in your premises;
  - 24.2. making sure you and your subcontractors display the ESF logo on your websites, your learner enrolment documents and your training materials;
  - 24.3. making sure you and your subcontractors tell learners that they are on a programme funded by us, which we could use as match funding for ESF;
  - 24.4. keeping all learner data and documents until the end of the document retention period for the 2007 to 2013 ESF programme (at least 31 December 2022); and
  - 24.5. having policies for equal opportunities and sustainable development.
25. If you do not keep to the rules of the ESF programme, you will break the conditions of your contract.
26. You, your subcontractors and other third-party organisations must not use our mainstream programme funds as match funding for your own projects through other European Union funds (for example, European Regional Development Fund, European Integration Fund and so on).
27. For the current 2007-2013 ESF programme (which runs until 31 December 2015) we need to identify £1.5 billion of match funding. We expect an overlap in match funding requirements in 2014 and 2015, when our mainstream programmes will be eligible as a source of match funding for both the ESF programmes between 2007 and 2013, and between 2014 and 2020.

## **Evidence required**

As well as the Learning Agreement we will require evidence of the following.

Paragraph 6 – You must fill in the ‘Delivery location postcode’ field in the individualised learner record (ILR) and this must be in England. Where we agree that a learning aim may be delivered elsewhere, you must first get authorisation from our Central Delivery Service. You must keep this authorisation in the Learning Agreement for the learner. In most cases this will be an email from our Central Delivery Service.

## Principles of evidence

The purpose of the evidence is to assure us that you have delivered education and training in accordance with the terms of our funding agreement and the funding rules. We will examine evidence to make sure we have that assurance.

You must create evidence as part of a specific business process or as a usual part of your day-to-day working. We are keen that you use as much naturally occurring evidence as possible as this reduces both unnecessary paperwork and cost.

### The main principles of providing evidence

28. You must hold evidence:

28.1. that the learner exists;

28.2. that the learner is eligible for funding, and the rate for funding;

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

28.4. that the learning activity is taking place or has taken place;

28.5. that the achievement of learning aims is certified (that is, a certificate has been issued by an awarding organisation); and

28.6. of other funding claimed, such as job outcome payments, Learning Support and Learner Support.

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

29.1. Evidence that the learner exists and is eligible – by the threshold date for funding. (The threshold date is based on the planned number of days in learning and the number of qualifying days that the learner is in learning.)

29.2. Evidence of achievement – where the ILR field outcome has been reported as achieved, this must be supported by evidence within three months of the outcome being reported to us.

30. The evidence of activity must be based on your own policy. If a learner withdraws from learning without achieving their learning aim, any claim for funding must only be up to the last point where you can provide evidence that the learner was still in learning.

## Learning Agreement

31. A Learning Agreement is not necessarily a single document but can be a collection of documents and information brought together to form a single point of reference relating to the learning that is taking place. If learning is delivered by an employer, this collection of documents may also be employment records held by the employer, such as application forms, learning and development plans, payroll systems and so on. The majority of information will come from normal processes and be produced as part of the organisation's business. It may be in paper, electronic or a mixture of formats. For providers it could include enrolment forms, data-capture forms, induction checklists, initial assessments, training plans, confirmation letters to learners, self-declarations, attendance records, copies of certificates, result forms and so on.
32. Nearly all evidence will be in the learner's Learning Agreement. The Learning Agreement is the main evidence to prove that the learner funding has been claimed for exists and is eligible for funding, and of the learning to be provided. It allows you to show that the learner has confirmed the information supplied by them as correct and that the information you have reported to us in the ILR is correct.
33. Both the learner and you must confirm the information in the Learning Agreement before the end of the qualifying period for funding new learning aims. We will remove the funding if you and they do not provide this confirmation.
34. You must update the Learning Agreement as necessary. You must keep Learning Agreements safe.
35. You must keep a Learning Agreement to show you have the evidence needed to support the funding claimed. The Learning Agreement must be proportionate to the length of the learning programme and the characteristics of the learner.
36. If you hold information for more than one learner centrally, such as result lists or employment records, you only need to refer to that central store. For example, if you provide evidence of confirmation:
- of achievement using an awarding organisation's online database or the Personal Learning Record; or
  - that the learner's address and date of birth are held in an employer's payroll system;
- you do not need to put a copy in the Learning Agreement. We only need you to record the data and refer to the source of that evidence.
37. While recognising that different types of learners may need different approaches, the Learning Agreement relating to funding must at least confirm the following.

- 37.1. All information reported to us in the ILR, and if it applies, the supporting evidence of the data being reported.
- 37.2. The assessment of eligibility for funding and a record of the evidence provided by the learner which you have seen.
- 37.3. All initial, basic skills and diagnostic assessments. This includes assessments confirming that learners will be ready to move on to an Apprenticeship or employment within six months of starting their Traineeship. For unemployed learners who are receiving other state benefits and are receiving full funding at your discretion, this would also include evidence of the discussion and agreement that the learning is directly relevant to the individual's employment prospects and the needs of the labour market.
- 37.4. Any record or information on prior learning that affects the learning or the funding of any of the learning aims being taken by the learner. This will relate to the rules on recognition of prior learning.
- 37.5. For 'personalised learning programmes', for example non-regulated learning, we will need full details of all the aspects of the learning to be carried out.
- 37.6. An outline of how the learning and skills will be achieved.
- 37.7. The assessment for the learner and employer contributions including the reason for full funding and the contribution to be made by the learner or employer.
- 37.8. The learning support and learner support identified through assessment provided to the learner. This includes evidence that the learning support has been delivered during the time that funding was claimed.
- 37.9. Records of attendance to confirm that the learner is still taking part in learning (including evidence of attendance and participation in a work placement if the learner is taking part in a Traineeship).
- 37.10. Learner Support provided to the learner, including the learner's application (if this applies) and details of how the payment will be made (grant, loan, or payment to a third party).
- 37.11. Appropriate self-declarations on their status as a learner in terms of benefits, unemployment and gaining a job which are made by the learner.
- 37.12. A record and evidence of achievement of learning aims or an Apprenticeship framework. This must be available within three months of you reporting it in the ILR.

38. The Learning Agreement for an apprentice must also additionally contain:

- 38.1. the apprentice's job role and the framework associated with it;
- 38.2. relevant experience and achievements both in and outside their current working role;
- 38.3. the learning and skills they have to carry out while on their Apprenticeship outside of named qualifications;
- 38.4. the name of the employer and the agreed contracted hours of employment, the total planned length of the Apprenticeship; and
- 38.5. confirmation that an Apprenticeship Agreement is in place, plus a copy of the Apprenticeship Agreement, or confirmation that the employer has been told about their legal duty in terms of the Apprenticeship Agreement if a copy is not available.

39. If a subcontractor delivers any provision for the learner, they must clearly give your name as well as theirs in the Learning Agreement, and make sure that this is known to the learner. This must match the information reported to us in the ILR.

40. We have identified evidence requirements that are over and above the Learning Agreement, and at the end of each section we list the evidence needed.

### **Confirmation and signatures**

41. We recognise that you will decide which process you will use to record the learner's and employer's confirmation of information about the learner's learning. We recognise that it is unlikely that a standard approach and process will meet the needs of every provider.

42. You can hold evidence in an electronic format. This includes holding information on electronic platforms and in scanned format, which includes, but is not restricted to, digital signatures. When you collect a learner's signature, we accept that it may be handwritten, in electronic format or both.

43. You must make sure that digital signatures and the wider systems of control give your management team enough assurance that learners are eligible for funding and that they actually exist. You must also make sure that you have systems in place so you can monitor learner activity, including that they are continuing to learn and achieve.

44. It is your responsibility to make sure that you keep an effective and reliable form of evidence to support funding claims, including evidence that learners actually exist and are eligible and the activity they carry out. You



are responsible for making the evidence you hold easily available to us when we need it.

### **Learning activity**

45. You must provide evidence of learning reported in the ILR and recorded in the learner's Learning Agreement. You can do this through naturally occurring evidence, such as registers, attendance records, reports, records of contact and reviews. If you do not have any evidence of learning taking place and you have claimed funding, we have the right to make you repay that funding.

### **Retention and achievement**

46. If a learner is still in learning or has left and not achieved their learning aim, you must have evidence that learning activity is taking or has taken place. The evidence must be in the Learning Agreement. The exact nature of this evidence would be up to you (and may be based on the way in which learning takes place).

47. If the learner achieves their learning aim, we will not need you to keep evidence of the activity that has taken place unless this relates to non-regulated provision (that is, learning with no accreditation from an external awarding organisation). However you still need to provide evidence that the learner was in learning and that it was not at odds with the funding rule in paragraph 17.

48. After 1 August 2014 you do not need to keep copies of learning aim certificates, issued by awarding organisations, as evidence of achievement. For evidence of achievement we will use the data that awarding organisations give us as part of the Personal Learning Record (PLR), if this is available. We will compare the information held by the Learning Records Service against the achievement data you report to us in the ILR to make sure only valid achievement is claimed for. You must still keep copies of Apprenticeship framework achievement as this information is not yet directly put in the PLR. In the future we intend to remove the requirement to keep Apprenticeship framework certificates and will tell you about this change when it happens.

49. You must still apply for, and send learners, the certificates that awarding bodies issue for achieving a learning aim. In the Learning Agreement you must record that this has happened. For example, this could be records of postage, receipt books, records of awards ceremonies and so on.

## Individualised Learner Record (ILR)

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

## Self-certification by learners

51. Any self-certification by the learner must confirm both the learner's details and the details that the learner is confirming. We accept that this can be in an electronic format.

Poor data that does not reflect underlying records is one of the main causes of a qualified review by Provider Financial Assurance, our audit team. If you use the Provider Data Self-Assessment Tool (PDSAT), you can avoid many of the common problems. We designed it to give you a suite of exception reports when reviewing your data. The current PDSAT tool, updated guidance and Data Self-Assessment Tool (DSAT) interactive e-learning tool are available through the [GOV.UK website](#).

You can find Provider Financial Assurance's standard working papers, including detailed testing schedules, on the [GOV.UK website](#).

## **Evidence required**

As well as the Learning Agreement we will require evidence of the following.

Paragraph 28 – In terms of an Apprenticeship framework, the last date of actual learning where the apprentice withdraws without achieving the Apprenticeship framework is the date on which the apprentice was taking part in any learning aim that is part of the framework. You can only claim funding if the apprentice has started that learning aim. In other words, you cannot claim funding if the apprentice has not yet started a learning aim that is part of the framework.

Paragraph 28 – The date that a learner has started a learning aim is the date on which the activity directly related to the learning aim has begun. Induction, prior assessment, diagnostic testing or similar activity is not part of the learning aim and is not treated as the start of learning.

Paragraph 28 – The learner will confirm any benefit and unemployment status in a self-declaration. They will also have to declare any job they get. We do not expect confirmation of benefit or unemployment from the Department for Work and Pensions or from a Jobcentre Plus office. Similarly, we do not need an employer to confirm when the learner gets a job. If the benefit was related to the learner's unemployment status, the learner must confirm that they are not claiming this benefit when they get a job. The learner can still claim benefits not relating to unemployment. Job outcome payments (see page 29) do not apply to the learning aims of learners funded through a Loan.

Paragraph 46 - In order to claim funding, there must be evidence that the learner was still in learning on or after the threshold date. The threshold date is based on the planned number of days in learning and the number of qualifying days that the learner is in learning. You do not need to confirm that the learner is in learning on the actual threshold date, but they must be in learning on that date or after it.

Paragraph 48 – From 1 August 2014 we do not expect you to hold evidence of achievement if this has been reported in the PLR. If the achievement has not been reported in the PLR, evidence of achievement must be a copy of the certificate issued by the awarding organisation. For non-regulated learning aims, the evidence we need is confirmation from you that the learner has achieved their non-regulated learning aim. For Apprenticeship frameworks, the evidence of achievement we need is an Apprenticeship completion certificate issued by the relevant Issuing Authority.

## Financial contributions

This section explains the levels of government contribution that are made towards the cost of learning and the rules that you must follow under the Apprenticeships, Skills, Children and Learning Act 2009. Depending on the circumstances, we may do the following.

- Fully fund the cost of learning.
- Share responsibility for investing in skills by part-funding the cost of learning and expecting an employer or learner to contribute towards the cost of learning (known as co-funding). For a learner, this could possibly be through a Loan. There is more information on this in paragraphs 374 to 376.
- Expect the employer or learner (or both) to cover the full cost of learning.

This section does not apply to Community Learning or programmes funded by the European Social Fund (ESF). Annex 1 contains more details on contributions.

52. You must make all learners, including learners funded through a Loan, aware of your policy on fees and charging.
53. If you offer a qualification that we would fund through grant funding or would be eligible to be funded through a Loan, but you have decided to offer the qualification only as a commercial 'full-cost' opportunity, you must tell the learner this and that other providers may offer alternative funding routes.
54. You will need to decide what fees to charge learners who are co-funded, or what fees to charge their employer. This shared responsibility recognises that, in most cases, and especially at higher levels, most of the benefit goes to the learner through increased wages and progression, and to the employer by having a higher-skilled, more-productive workforce. In exceptional circumstances you can use the hardship element of your Discretionary Learner Support (DLS) allocation to help with fees for disadvantaged learners.
55. If we fully fund a learner's programme, you must not make compulsory charges relating to the direct costs of delivering a learning aim. By direct costs we mean administration, registration, assessment, materials or examination costs, whether you have to pay them direct or they are charged by other organisations, such as awarding organisations. It can include charges for identification passes, uniforms, tools and materials where the learner cannot achieve their learning aim without them.

56. Apprentices cannot be made to contribute financially to the direct cost of learning. If you charge an apprentice's employer, this is up to you.
57. You can pass on subscription charges, made by professional bodies to become a member of that organisation, to the learner or their employer if the learner is aged 19 or over. If achieving the learning aim relies on membership, you can make them pay this as a requirement of enrolling. You can also decide to use DLS funding to pay professional fees if you choose. In the case of a learner funded through a Loan, this would be from the Loans Bursary Fund.
58. If you offer optional extras as well as learning, you can ask a fully funded learner, a learner funded by a Loan or a learner's employer to pay. For example, this can apply to trips and visits that are not a central part of their learning. It cannot be a condition that the learner takes up the extra or optional extra provision to complete or achieve their learning aim.
59. You can charge any learner for items not directly related to the learning activity, for example, library fines, replacement keys or student ID cards, printing and photocopying outside of learning.
60. If a fully funded learner or a learner funded by a Loan needs a Disclosure and Barring Service (DBS) check to take part in learning, you cannot charge them for this. If the learning is associated with the learner's employment, their employer is responsible for carrying out and paying for this check.
61. You can charge any learner if they want to keep materials used in a learning activity outside of the learning environment (for example, artwork, models and food).

## **Evidence required**

As well as the Learning Agreement we will require evidence of the following.

Paragraph 52 – The learner must confirm that they are aware of your fees and charging policy.

Paragraph 53 - The learner must confirm that you have made them aware that, although they are undertaking their learning aim on a full-cost basis, it may be available elsewhere through grant funding or a Loan.

## Section 2 - The Adult Skills Budget including Apprenticeships

The Adult Skills Budget supports flexible and responsive provision to learners and employers in the workplace and through classroom learning.

Workplace learning is defined as:

- any learning aim mainly delivered within a workplace and in connection with the employed learner's occupation or their employer's business; and
- any learning in an Apprenticeship framework.

Classroom learning is everything that is not workplace learning (this includes Traineeships).

If the learner is 24 or over when they start their learning, and provision is at level 3 or 4, and not part of an advanced-level or higher Apprenticeship, the provision is not supported by the Adult Skills Budget but may be supported by a Loan. Further details are given in paragraph 357.

62. You must report all Adult Skills Budget provision by using code 35 in the 'Funding model' field in the ILR.
63. All workplace learning must be reported as workplace learning in the ILR using code WPL1 in the 'Learning Delivery Funding and Monitoring' fields.

### Qualifications and units available within the Adult Skills Budget

We approve and monitor qualifications and units for public funding, including Loans, for learners aged 19 and over in England. The Qualifications Advisory Group advises us on our process for approving and monitoring qualifications and units for public funding and is independently chaired.

For more information on the qualifications we approve and monitor for funding, and the related qualifications policy, please see the Qualifications Information Guide for 2014/2015. This is available on [the GOV.UK website](#).

64. For the purposes of claiming Adult Skills Budget funding for qualification-related outcomes, you must only deliver education and training that leads to qualifications, units and other learning aims that we have approved for funding.

65. You must make sure that a learner is entitled to funding or a Loan for the particular learning aim you intend to enrol them on. See Paragraphs 46 and 47 of Annex 1 for details of what funding or Loan a learner may be entitled to when enrolling on a particular learning aim. In particular we would draw your attention to the following.

65.1. For 2014/2015 we are applying business rules around size, purpose and recognition in order to approve qualifications for funding. This means that at levels 2 to 3, we will only approve some small qualifications (including Awards) by exception (that is outside of our usual business rules for approving qualifications as detailed in our Technical Guidance for Awarding Organisations). If we do approve small vocational qualifications, we will make them available as part of the offer for the unemployed (including Traineeships) and OLASS, and we may consider making them available for other learners on a co-funded basis.

65.2. Units may only be delivered to learners who are entitled to full funding as part of the offer for unemployed people (including Traineeships).

65.3. Awards at level 2 and units that are part of Qualifications and Credit Framework (QCF) English and maths qualifications approved for funding are fully funded for all eligible learners.

66. You must not deliver units instead of qualifications in order to gain a funding advantage.

### **Early years educator training**

67. From 1 August 2014, to be eligible for funding for Level 3 Early Years Educator learning aims, new learners will need to have achieved GCSE English and maths at grade C or above before enrolling. You must confirm the learner's prior achievement of GCSE grade A\* to C in both English and maths, and record this in the Learning Agreement before enrolling learners. This requirement also applies where learners are funding Early Years Educator training through a Loan. The learning aims that this requirement applies to will be flagged in LARS. There is no time limit on when the GCSE was achieved, and we will also accept GCE O level English and maths grades A to C and CSE English and maths grade 1.

## **Work placement or work experience**

68. We will only fund work placement or work experience as part of:

- 68.1. a Traineeship;
- 68.2. The Prince's Trust Team programme; or
- 68.3. a continuing study programme, where responsibility for funding transfers from the EFA to us when the learner is 19.

## **Non-regulated provision**

Public funding is currently focussed on qualifications because regulated qualifications (qualifications from an external awarding organisation):

- give learners access to nationally recognised and transferable achievement; and
- if the qualification is vocational, are benchmarked against relevant and up-to-date employer standards.

However, we recognise that a qualification may not always be the most appropriate offer in some cases. So we intend to continue to fund non-regulated provision when it:

- is of high quality;
- is in the best interests of the learner; and
- supports progression to give learners access to qualifications, or, if a qualification is not appropriate or available, support the learner towards a meaningful outcome, including preparing for and entering employment.

Non-regulated provision is designed, delivered and, in some cases, certificated by a provider.



## **Categories of non-regulated provision approved for funding**

69. Non-regulated provision eligible for funding in 2014/2015 must be one of the following.
- 69.1. Provision for learners with learning difficulties or disabilities as part of a personalised learning programme where there is no appropriate vocational or non-vocational regulated qualification available.
  - 69.2. Provision for English for Speakers of Other Languages (ESOL), where there is no appropriate regulated qualification available. (You must take account of the introduction of new ESOL Skills for Life QCF qualifications before enrolling an individual onto non-regulated provision).
  - 69.3. Provision in the area of Preparation for Work, where there is no appropriate alternative regulated qualification available. (We expect the volume of your provision in this area to be at the same level as in recent years.)
70. For any non-regulated provision we fund in the categories above, you must:
- 70.1. apply the Recognising and Recording Progression and Achievement (RARPA) standards and keep the necessary evidence within each Learning Agreement; and
  - 70.2. provide the learner with a clear record of their achievement. This can be in the form of a certificate.
71. Any non-regulated learning aims not in one of the categories above will not be available for funding in 2014/2015, with the exception of learners who are continuing learning aims.

## Using the innovation code

The innovation code (the Code) allows colleges and training organisations to respond quickly to local employers' needs and gaps where there is currently no appropriate qualification to meet the skills needed. It does this by allowing you to enrol individuals on a course that does not lead to a Qualifications and Credit Framework (QCF) qualification at present, but that would fit eligibility criteria for public funding once there is an accredited qualification to recognise the learning.

The Code consists of a range of learning-aim references, which colleges and training organisations can use on their ILR returns to claim funding so they can deliver provision.

There is no formal application process to use the Code, and colleges and training organisations do not need to ask our permission to use the Code.

Colleges and training organisations must deliver the Code within their existing funding allocation.

For more information on using the Code, please see the [GOV.UK website](#). Updated documents for 2014/2015 will be issued in April 2014.

72. Any provision you deliver through the Code must be designed to respond to local employer or business and learner needs, or to respond to identified employment opportunities.
73. Before using the Code, you must check to make sure there is not already a regulated qualification available for the learning. If there is and the qualification is funded, you should enrol the learner on that qualification. If there is a qualification but we do not fund it, you must not use the Code as you would be delivering provision which we do not fund.
74. Provision delivered through the Code should become available nationally and be capable of moving into the QCF as a qualification. You must work with an Ofqual-recognised awarding organisation to support this. It is for you to decide when and how you involve an awarding organisation to arrange for a qualification to be developed to recognise the learning that has taken place and the achievement gained.
75. You must not deliver provision through the Code that, once accredited as a qualification, would clearly not be eligible for funding. We publish our rules on approving qualifications, and you must use this to check whether the provision could be funded as a qualification. For more information please see separate [Technical Guidance](#).
76. Any learners enrolling on a course the Code applies to must be eligible for Adult Skills Budget funding, and must also be entitled to the funding for the

size and type of provision you are enrolling them on. For more information please see separate [Code guidance](#).

77. You can use the Code for both employed and unemployed learners. If you use the Code for unemployed learners, this must be to help them move into employment.
78. You must not use the Code to deliver all or part of an Apprenticeship framework.
79. If a subcontractor wants to use the Code, they must get permission in writing from the lead provider, and the lead provider should monitor delivery. The subcontractor must already be delivering either Adult Skills Budget or OLASS provision on behalf of a lead provider.
80. The Code can be used for new or existing provision. If the provision already exists then the following apply.
  - 80.1. The provision must not be a non-regulated version of any unit or qualification that is already in the QCF.
  - 80.2. The provision must not lead to a qualification listed in LARS, as this will have already been considered for public funding (see note 3 below).
  - 80.3. The provision must not have already had public funding removed from it.
  - 80.4. The Code must not be used to replace employer funding. In other words, if an employer is already paying for a course to be run for their employees, you cannot use the Code to fund the course for those learners.
81. You cannot use funding claimed through the Code to pay the development costs of colleges and training organisations, employers or awarding organisations associated with creating a qualification.
82. Provision delivered through the Code is not eligible for funding through a Loan.
83. You cannot use the Code to deliver provision that is at:
  - 83.1. level 5 or above; or
  - 83.2. level 3 or above for learners aged 24 or older at the start of their learning.

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Note 3: If a qualification has already been approved for public funding, you should enrol learners for this qualification rather than using the Code. If it has not been approved for funding, this means it is not appropriate for public funding.

## English and maths

English and maths refers to English and maths qualifications and units to help learners to progress towards and achieve their GCSE grade A\* to C qualification. The suite of fully funded learning aims defined as English and maths, including those that help with progressing to GCSE, are set out in the [Qualifications Information Guide](#).

84. Learners aged 19 and over, excluding apprentices, are eligible for full funding to take GCSE English and maths (including iGCSE) if they do not currently have these qualifications at grades A\* to C, no matter what other qualifications they already hold. If a learner wants to 'retake' their GCSE English and maths because they did not achieve an A\* to C grade, we would not fund the learner to just resit the exam.
85. When designing an English and maths learning programme, providers must not enrol learners on qualifications or units which are not necessary for progressing towards a GCSE.
86. Learners (not including apprentices – see paragraphs 140 to 144) must be enrolled on a level of learning in English and maths that is beyond that to which they are assessed. For example, if a learner is assessed as being at entry level 3 they must be enrolled on at least a level-1 qualification. Learners must not simply be accredited for knowledge they already have.
87. You must:
  - 87.1. carry out a thorough initial assessment to determine the level at which the learner is currently working so you can decide which level they will enrol onto;
  - 87.2. carry out an appropriate diagnostic assessment to inform and structure a learner's Learning Agreement to use as a basis for a programme of study;
  - 87.3. deliver ongoing assessment; and
  - 87.4. record all outcomes in the Learning Agreement.
88. You must use up-to-date assessment tools that are based on the National Literacy and Numeracy Standards and core curriculum. The tools must:
  - 88.1. place a learner's current skills levels within the National Qualifications Framework (NQF)/QCF levels; and
  - 88.2. be administered by suitably qualified individuals including, for the diagnostic assessment, a practitioner who will structure the learner's programme of study.

## English for Speakers of Other Languages (ESOL)

English language skills are essential in the community and for success in the job market. Learners who do not use English as their first language are expected to undertake ESOL learning which improves their prospects of getting a job and enables them to progress to a GCSE grade A\* to C in English language.

The learning aims defined as ESOL are set out in the [Qualifications Information Guide](#).

89. When designing an English learning programme, providers must not enrol learners on qualifications or units which are not necessary for them to progress to a GCSE.
90. The rules relating to assessment and enrolment, as set out in paragraphs 86 to 88 above, apply to ESOL provision.

## Prince's Trust Team Programme

The Prince's Trust Team Programme is for 16- to 25-year-olds. It is a 12-week course designed to improve confidence, motivation and skills. Each 'team' aims to recruit a mix of 16- to 25-year-olds of different abilities and backgrounds, including employees sponsored by their employers. The 'teams' are funded by us but are run and managed locally by providers in partnership with the Prince's Trust.

91. We will continue to fund the Prince's Trust Team Programme at 2012/2013 levels. As such, you must claim the following.
  - 91.1. As shown in the rates matrix, the funding rate for the Award or Certificate in employment, teamwork and community skills (QCF) at entry level 3, level 1 and level 2.
  - 91.2. All other costs using the Earnings Adjustment Statement, by using the 'Authorised Claims' section for the difference between the qualification rate and the 2012/2013 rate.

## Job outcome payments

Job outcome payments are made for unemployed learners (including those on a Traineeship) who leave their course early to take up a job. The outcome payment reduces the 'disincentive' which puts providers off taking on unemployed learners. It does this by paying 50% of the achievement funding if a learner leaves training without achieving the qualification but gains a job outcome.

Job outcome payments are built into the earnings method.

For the purpose of job outcome payments, a job must last 16 hours or more a week for at least four weeks in a row.

A job outcome payment will also be made if a learner gets a job but continues in learning. If the learner then achieves the learning aim, we will pay the remaining 50% of the achievement funding (see note 4).

If the learner takes part in the Work Programme as well as learning funded by us, claiming a job outcome payment is not affected by the Work Programme. That is, this is not considered to be a duplication of funding (see note 5). Job outcome payments do not apply to the learning aims of learners funded through a Loan.

92. To claim job outcome payments for learners who were:

92.1. receiving Jobseeker's Allowance;

92.2. in the Work-Related Activity Group for receiving Employment and Support Allowance;

92.3. receiving Universal Credit and mandated (required) to undertake skills training; or

92.4. on a Traineeship;

93. you must receive a declaration from the learner that they have stopped claiming benefits relating to unemployment and have started work.

94. To claim job outcome payments for unemployed learners receiving wider benefits, or learners on a Traineeship, you must receive a declaration from the learner that they have started work.

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Note 4: Under our new funding system, the achievement funding will be 20% of the funding rate.

Note 5: You must report learning aims that are delivered to those taking part in the DWP Work Programme, using code WPP1 in the 'Learning Delivery Funding and Monitoring' fields of the ILR.

95. You claim job outcome payments by reporting an employment outcome in the 'Employment outcome' field of the ILR. You must report data to us within the ILR for the current year in which the learner leaves learning.
96. To generate a job outcome payment:
- 96.1. the learning aim must not be classified as 'workplace learning' in the ILR;
  - 96.2. a benefit status indicator must be reported in the 'Employment status monitoring' fields in the ILR (if appropriate) (this does not apply to Traineeships); and
  - 96.3. the 'Employment outcome' field in the ILR must be completed.

### **Using the Adult Skills Budget for offenders – public prisons**

97. If you receive Adult Skills Budget funding, you can, in exceptional circumstances, use it to deliver provision to learners in custody. Using this budget in this way must work alongside, and not duplicate or compete with, provision funded by the Offender Learning and Skills Service (OLASS). The OLASS budget can only be used for adults in custody, so it is important to make the best use of this budget before using the Adult Skills Budget.
98. If you want to use Adult Skills Budget funding to deliver provision to those in custody, you must have written agreement from the [OLASS Governance Board](#) for the relevant prison.
99. If you are using your Adult Skills Budget with offenders in custody, you must keep to all Adult Skills Budget eligibility and contribution requirements and report this in the 'Learning Delivery Funding and Monitoring' fields of the ILR using code LDM119.

### **Using the Adult Skills Budget for offenders – private prisons**

100. There are a number of contracted-out prisons which are run by private companies. Of these, only four are funded through OLASS (Thameside, Doncaster, Oakwood and Birmingham). The rules in paragraphs 97 to 99 apply in these establishments and any others that move to OLASS funding. The other private prisons are given a core budget, from the Ministry of Justice, which includes an element for education. Prisons must make best use of this funding before using other sources of public funding (including the Adult Skills Budget). As part of the agreed service-level agreement they will need to deliver all aspects and so it is their decision on where they get their education from.
101. Offenders who are held in private prisons, are aged over 24 and who want to study at level 3 and 4 may be eligible to apply for a Loan. If you

intend to deliver Loans-funded provision to offenders in custody or released on temporary licence, see paragraph 371 for more details about offenders' eligibility for Loans.

### **Breaks in learning**

102. There will be times when a learner or apprentice cannot carry on with the learning they started (for example, because they are ill, pregnant or temporarily unavailable). In these instances, the learner or apprentice will be able to take a break in their learning if they tell you beforehand that they want to return to learning. During this break, funding is stopped and the learner or apprentice is not included in success rates.
103. To show that a learner or apprentice is on a break, you must report code 6 – 'learner has temporarily withdrawn from the aim due to an agreed break in learning' – in the 'Completion status' field of the ILR. When the learner returns you must fill in the 'Original learning start date' field in the ILR and report code RES1 in the 'Learning Delivery Funding and Monitoring' fields of the ILR. This is important for apprentices as they will have to meet the minimum-length rule for their Apprenticeship through their total time in learning.
104. You must also use the 'Funding adjustment for prior learning field' in the ILR to amend the funding that you will claim when the learner returns. This figure will be based on the time the learner has already spent on the original learning aim.
105. If the learning aim that the learner was following is no longer valid when they return (in other words, the certification date has passed), you cannot class this as a break in learning. This limits the length of time that a learner can have as a break in learning.
106. For more information on how to report breaks in learning in the ILR, see the [ILR Provider Support Manual](#).



## **Evidence required**

As well as the Learning Agreement we will require evidence of the following.

Paragraph 67 – You must confirm prior achievement of GCSE grade A\* to C (or GCE O level grade A to C or CSE grade 1) in both English and maths and record this in the Learning Agreement before enrolling learners on to Early Years Educator Training. This requirement also applies where learners are funding Early Years Educator training through a Loan.

Paragraph 70.1 – You must record evidence in the Learning Agreement that RARPA standards have been applied.

Paragraph 70.2 – You must keep evidence of achievement or that a certificate of achievement has been issued to a learner when they complete a period of non-regulated provision.

Paragraph 87 – In the Learning Agreement you must record the enrolment of the learner on a learning aim at a level that is beyond that to which they are assessed.

Paragraph 87 – You must keep evidence that you have assessed all learners before, or as soon as, they start learning. In the Learning Agreement you must record the outcomes of all assessments.

Paragraph 87 – You must record, in a format that is available for review, all initial English and maths assessment outcomes and the resulting enrolments for learning aims.

Paragraph 98 – You must have a written agreement from the relevant OLASS Governance Board for provision delivered using the Adult Skills Budget.

## Apprenticeships

### Statement on Apprenticeship Quality

In 2014/2015, only Apprenticeships which are for a job with an accompanying skills development programme, and are designed by employers in the sector, will be funded by us. It allows the apprentice to gain the technical knowledge, practical experience and wider skills needed for their immediate job and future career. These are gained through a wide mix of learning in the workplace, formal off-the-job training and the opportunity to practise new skills in a real work environment. This wide mix differentiates Apprenticeships from training delivered to meet narrowly focused needs.

When they have completed the Apprenticeship, the apprentice must be able to confidently undertake the full range of duties to the standard set by the industry, and in the range of circumstances appropriate to the job.

To see the Statement on Apprenticeship Quality in full and for a list of frameworks we fund, see the [Apprenticeships website](#).

### Principles

This section sets out the principles behind the funding rules that apply to all Apprenticeships that we fund.

107. To receive funding you must do the following.

- 107.1. You must be content that all apprentices you claim funding for are carrying out a new job role, or if in an existing job role, that the individual needs significant new knowledge and skills and that an Apprenticeship is the most appropriate learning programme for them.
- 107.2. You must make sure that the job allows the apprentice to gain the wider employment experience that is a central part of the Apprenticeship.
- 107.3. You must advertise new Apprenticeship vacancies on the [Apprenticeship Vacancies \(AV\) website](#). (New Apprenticeships are job opportunities where the employer is looking to recruit someone to do an Apprenticeship. If an Apprenticeship is taken up by someone already working at the company, they do not need to be posted on the system.)

- 107.4. You must enter on the Apprenticeship Vacancies website the details of the successful applicants.
108. An individual cannot start an Apprenticeship we are funding until after the last Friday in June in the academic year (1 September to 31 August) that they become 16 years of age, usually known as Year 11. There are no exceptions to this rule, even if the individual is no longer at school or is already in work.
109. For each apprentice, we will only fund a single Apprenticeship framework at any one time. This means that if an apprentice wants to progress onto another framework, they must have completed the previous Apprenticeship first.
110. We fund only those aims identified in the Apprenticeship framework as 'mandatory', unless we say differently within the funding rules.
111. Individuals who already have a qualification at level-4 or above are only eligible for funding for a higher Apprenticeship at level-5 or above. They are not eligible for funding for an intermediate-level, advanced-level or level-4 higher Apprenticeship.
112. We will not fund an Apprenticeship delivered only by distance learning.

### **Apprenticeship Agreement**

An Apprenticeship Agreement between an employer and an apprentice is required under the ASCL Act 2009 sections 32 to 36. An Apprenticeship Agreement is needed at the start of the Apprenticeship for all new apprentices who start their programme, and must be in place for the entire length of the Apprenticeship. Without it, a completion certificate cannot be issued. You can find more information on Apprenticeship Agreements on the [Apprenticeships website](#).

113. The Apprenticeship Agreement must state that the apprentice will be carrying out an Apprenticeship in a particular skill, trade or occupation under a qualifying Apprenticeship framework.
114. The Apprenticeship Agreement can be in the form of a written statement of particulars under the Employment Rights Act 1996. Or, it can be a contract of employment or a letter of engagement where the employer's duty under the 1996 Act is treated as met.
115. Existing and new contracts of employment between the apprentice and the employer that meet the 1996 Act will also meet the requirements of the Apprenticeship Agreement. This applies as long as they include a statement (which may be an annex) setting out the skill, trade or

occupation linked to a relevant recognised English framework, issued by the appropriate Issuing Authority, for which the apprentice is being trained.

## **Employment**

The ASCL Act 2009 says that all apprentices must be employed at the start of the first day of their Apprenticeship. The only exceptions are apprentices in certain occupations that are covered by the 'alternative completion conditions' (see paragraph 123) agreed by the Government. All apprentices must be employed in a job role with a productive purpose.

The term 'employed' is defined as an individual who has a 'contract of employment'. This does not include individuals who are self-employed. If an employed apprentice becomes self-employed during the Apprenticeship, this will make their Apprenticeship and funding ineligible at that point unless this falls within the alternative completion conditions that apply to redundancy.

Funding provided for an Apprenticeship must not be used to pay the apprentice's wages. The funding is only to fund learning.

116. You must make sure that wages are paid by the employer, not by you. You must be able to prove that you are not using our funding to pay apprentices' wages.
117. Employers must pay at least the relevant National Minimum Wage set by the Government. Further information can be found on the [GOV.UK website](https://www.gov.uk).
118. You must not directly employ apprentices purely for the purpose of delivering an Apprenticeship. The only exception to this is where employment is through a recognised Apprenticeship training agency (ATA), which must operate within our ATA framework and keep to the ATA Recognition Process and Guidance, and other conditions as set out on the Apprenticeships website.

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

119. If an organisation operates as an ATA, for example their main business is employing apprentices who are made available to employers for a fee, they must clearly identify themselves as such and keep to our ATA regulations.
120. If you are receiving funding, and operate an ATA, you must set this up as a distinct business so that apprentices are contracted employees of the

ATA and not you. You must not use funds intended to deliver training to pay apprentices' wages. In the ILR you must report the following to show that the apprentice is employed by an ATA.

- 120.1. The location (host) employer details in the 'Delivery location postcode' field
  - 120.2. The employer reference number of the ATA (as the actual employer of the apprentice) in the 'Employer identifier' field
  - 120.3. Code LDM130 in the 'Learning Delivery Funding and Monitoring' fields
121. To protect the quality of Apprenticeship provision, you must only contract with our recognised ATAs (or an organisation registered with us as working towards being an Agency-recognised ATA). Please see the latest version of the ATA framework.
122. Group training associations (GTAs) that offer an ATA service to employers must follow ATA-specific rules.

### **Alternative completion conditions**

123. The Government has agreed that in certain circumstances, apprentices do not need to be employed under an Apprenticeship Agreement. These are shown below.
- 123.1. Apprentices who are made redundant through no fault of their own, up to six months before completing their Apprenticeship.
  - 123.2. Occupations or frameworks where self-employment or working other than for reward is normal within the sector, but where the apprentice is likely to get a quality experience. The defined list of these is in Annex 1.
  - 123.3. Apprentices who are carrying out the advanced-level Apprenticeship in Sporting Excellence (AASE) in sports designated for Olympic, Paralympic and Commonwealth Games (see Annex 1 for a list of official sports).
124. For AASE above, you must:
- 124.1. have endorsement that each AASE apprentice has been identified by the relevant national governing body (NGB) as having the potential to compete at games level and be included in the number of AASE Apprenticeships agreed between us and the NGB for the funding year; and

- 124.2. hold this endorsement in the apprentice's Learning Agreement. If you do not have this supporting endorsement, we will withdraw funding for those apprentices.

### **Employment hours**

Apprentices must have spent a substantial percentage of their time as an apprentice actually doing the job they are developing a skill in, on premises where that job is usually carried out. This will normally be for at least 30 hours a week, but may be more. Apprentices must be paid both for the hours they spend working and for those that they spend studying.

Apprenticeships where the apprentice is working and studying for less than a combined total of 30 hours a week should be by exception only and in each case have the minimum time they can be delivered in extended by a corresponding percentage. For example, the usual minimum planned delivery time is a 12-month Apprenticeship with 30 hours a week spent with the employer. However, if the apprentice can only work 20 hours a week, you will need to extend the end date by one half – in other words, the Apprenticeship will last for 18 months.

You can find more guidance on Apprenticeship hours, and how long Apprenticeships should last, on the [Apprenticeships website](#).

125. As well as paying at least the National Minimum Wage as explained in paragraph 117 you must:
  - 125.1. make sure that apprentices are mainly employed for at least 30 hours a week (they are not allowed to be employed for less than 16 hours a week in any circumstances); and
  - 125.2. agree the average hours the apprentice will be 'at work' with the employer, usually defined using a contracted number of hours every week. This must be recorded in the Learning Agreement, and you, the employer and the individual apprentice must have the opportunity to agree to these hours which will include periods of study.
126. If the apprentice or the employer believes there is a case for the apprentice working for less than 30 hours a week, you must:
  - 126.1. make sure that the apprentice is working for at least 16 hours a week;
  - 126.2. record the proposed average number of hours each week; and

- 126.3. keep a record of the circumstances which have led them to believe a reduction in hours is appropriate. This will either be due to the apprentice's personal situation or because the industry or job role in which they are employed does not always offer the possibility of a 30-hour working week.
127. 'Zero-hour' contracts, which do not specify a set number of hours, will be accepted for Apprenticeships only if there is a contract of employment in place between the apprentice and the employer but where the working hours are not fixed. The number of hours worked each week and the pattern of working hours may vary (as long as it meets the requirements of relevant regulations) but there must be a clear undertaking between the employer and the apprentice to complete the Apprenticeship within the hours worked.
128. Apprentices with an irregular working pattern must use a four-week rolling average to make sure they keep to the employment hours funding rules (paragraphs 125 to 126).
129. You must also:
- 129.1. make sure that the apprentice can complete all elements of the framework within their contracted hours; and
  - 129.2. make clear the extended length or average working-hour pattern when advertising a vacancy on the AV website, if that vacancy is listed as having less than 30 hours.
130. As part of the performance-management process, if we consider that you are carrying out large numbers of Apprenticeships inappropriately, for example splitting a full-time vacancy into two vacancies, we will consider removing funding and giving it to high-performing providers who are protecting the interests of apprentices.

**Recognition of Prior Learning, exemption on the basis of previously certificated achievement, and duplication**

131. We do not fund learning aims where only assessment is needed to achieve a qualification. A significant amount of new learning and workplace practice must be involved in all Apprenticeships. You must only enrol apprentices who will clearly benefit from the new skills gained as a result of the Apprenticeship.
132. You must assess each apprentice funded by us, record their prior learning on the Learning Agreement, and indicate this in the 'Funding adjustment for prior learning' field of the ILR for all apprentices not carrying out all elements of the framework. This applies to Recognition of Prior Learning and also exemption on the basis of previously certificated achievement.

## Apprenticeship duration

To protect quality and make sure apprentices receive a high-quality meaningful experience, all Apprenticeships must last for a minimum period of time.

Apprenticeships will often take considerably longer and should be based on the framework's recommended duration. You must not assume a 12-month minimum, but refer to the relevant framework and funding rules paragraphs 133 to 137.

The Apprenticeship should include guided learning, assessment, and training, and monitored workplace practice, planned and agreed between the apprentice, their employer and you.

133. The minimum duration of all Apprenticeships is one year. To meet this condition, the apprentice must still be in learning on the anniversary of the date they started the Apprenticeship. If the Specification for Apprenticeship Standards in England (SASE) Framework states a longer duration, that longer duration will apply and must be substituted in the funding rules for the minimum duration of Apprenticeships.
134. If the apprentice finishes all the elements of an Apprenticeship in less than one year, they cannot claim an Apprenticeship Completion Certificate from Apprenticeship Certificates England (ACE) at that point and so no achievement can be reported in the ILR. However, the apprentice can stay in learning up to the point that they meet the minimum duration while they are using the skills they have gained during the Apprenticeship in their workplace. You must make sure that throughout the entire length of the Apprenticeship, the apprentice is involved in active learning or monitored workplace practice. An apprentice cannot progress onto another Apprenticeship until they have completed and achieved, or left, their current Apprenticeship framework.
135. The only exception to the one-year duration is where the apprentice is 19 years or older on the day they start their Apprenticeship and not all the elements of the Apprenticeship framework are being delivered, either in part or whole. This could be because of Recognition of Prior Learning (RPL) or previously certificated achievement, and that part or all of the funding for a qualification is reduced. This only applies to accredited qualifications as specified in the SASE framework documents. Even when a reduction in funding is made, the minimum length of the Apprenticeship is six months.
136. If an apprentice transfers between providers, or returns after a break in learning, you must make sure that the total amount of time spent on their



Apprenticeship is at least the minimum duration. This could mean that the planned length reported in ILR is less than the minimum needed, but you have evidence that the apprentice meets the required length due to learning taking place before their break in learning or when they were with another provider. This rule only applies when the apprentice continues on exactly the same Apprenticeship framework and pathway that they originally started. If you cannot provide evidence that the total amount of learning is at least the minimum duration, you must make sure that this new learning meets this rule.

137. Apprenticeship learning is not eligible to be funded if the planned duration of the framework, calculated from the learning start date and the learning planned end date, is less than one year. If the exception described at paragraph 135 above applies, the planned duration of the framework must be at least six months.

### **Completion and achievement of an Apprenticeship framework**

138. The Apprenticeship framework is considered to be achieved (and can be reported as achieved in the ILR 'Outcome' field) when both the apprentice and you can confirm that all elements of the Apprenticeship have been completed. This involves signing the declaration form.
139. You have up to three months to complete the process of applying for an Apprenticeship completion certificate, sort out any queries, receive and keep a copy of the Apprenticeship completion certificate from ACE. You must pass on all Apprenticeship completion certificates to the apprentice. If after three months you have not received an issued certificate, you must amend the ILR data by updating the 'Outcome' field of the ILR to show that the Apprenticeship has not been achieved. However, if you subsequently receive the Apprenticeship completion certificate you may be able to claim an achievement at that point.

### **English and maths**

140. For all apprentices who start their intermediate-level Apprenticeship on or after 1 August 2014:
- 140.1. you must offer level-2 Functional Skills or GCSE qualifications in English or maths (or both) to those apprentices who have not yet achieved level 2 in English or maths (or both), whether or not this is included in a framework; and
  - 140.2. the apprentice must start and continue to take part in level-2 English and maths during their intermediate-level Apprenticeship if the apprentice already had a level 1 in either English or maths (or both) before they started their Apprenticeship.

141. All intermediate-level apprentices who achieve level 1 in English or maths (or both) before the end of their intermediate-level Apprenticeship must be offered the opportunity to progress to level 2 in English or maths (or both).
142. Apprentices will not need to have achieved level 2 in English or maths (or both) if it is not a mandatory element of their Apprenticeship framework.
143. The funding for all English and maths provision delivered as part of an Apprenticeship must be reported as an Apprenticeship learning aim in the ILR, including level-2 learning in an intermediate-level Apprenticeship.
144. You must not claim funding for level 1 in English or maths in an Apprenticeship where the mandatory requirement of the Apprenticeship framework is at level 2.

### **Second Apprenticeships at the same or a lower level**

Apprentices who have successfully completed an Apprenticeship are not expected to start a second Apprenticeship at the same or a lower level. In other words, in most cases apprentices will progress to a higher level. However, in certain circumstances it may be appropriate for the apprentice to be multi-skilled at the same level.

145. In these instances you must record that the repeat or lower-level Apprenticeship is supporting the apprentice in a new job role.

### **Small and medium-sized enterprises (SMEs)**

How you deal with SMEs is vitally important. We have published a service standard for dealing with smaller employers, which you can find on the [Apprenticeships website](#). In terms of our funding for workplace learning, an SME is an organisation with fewer than 250 employees. This total must contain all employees whether full- or part-time, including parent and subsidiary companies no matter where they are based. For public organisations, it is the relationship between the organisations that is important to consider. For example, a library or central works department would be considered as part of the whole local authority.

146. SMEs with fewer than 10 employees (not including any apprentices) may add up to two extra funded units to their Apprenticeship, for each

apprentice. You can find the list of eligible units on the [Apprenticeships website](#).

147. Normal funding rates and rules apply to the extra funded units. If an employer contribution applies to the rest of the framework, it will also apply to these units.

### **Funding for apprentices who have learning difficulties or disabilities**

We are committed to making sure the skills system operates effectively to support the needs of the learners who are most disadvantaged, including those with learning difficulties or disabilities. This means making sure the right level of support is available to remove barriers to education and training so that learners can make the most of their potential.

We will fund Apprenticeship training for people who:

- have left compulsory school age but are under 19; or
- are 19 or over, including those who have declared a learning difficulty or disability (see note 6).

We will also provide apprentices, where appropriate, with Learning Support, Exceptional Learning Support (see paragraphs 222 to 228) or enhanced funding (or a combination of them).

### **Enhanced funding for apprentices aged 19 to 23**

148. A person who has not been available to enter learning before their 19th birthday, due to circumstances or reasons beyond their control, will be funded at the fully-funded 19 to 23 rate, as long as they start an Apprenticeship before their 24th birthday.
149. You must contact our Central Delivery Service if you are not sure whether enhanced funding applies.
150. An apprentice would not be entitled to enhanced funding if, since leaving full-time compulsory education and the proposed start date of their Apprenticeship, they have:

- 150.1. not been living in England;

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Note 6: The EFA is responsible for funding provision for apprentices aged 19 to 24 who have an Education, Health and Care Plan (EHC plan). No Learning Difficulty Assessments (LDAs) will be started from 1 September 2014. By August 2016, existing LDAs will be phased out and all young people with special educational needs (SEN) should have their needs met through the new 0-25 system of SEN support in this transition period. For funding purposes, an LDA will be treated the same as an EHC plan.

150.2. been in education, for example in a school sixth form, a further education college or training organisation; or

150.3. been on Entry to Employment (E2E), work-based learning, Train to Gain, a Traineeship or an Apprenticeship.

### **Advanced Apprenticeships in Sporting Excellence (AASE)**

151. We and the Education Funding Agency will continue to support students and apprentices following an advanced-level Apprenticeship in Sporting Excellence if they are also engaged in other full- or part-time funded studies. This includes those who are described in the Education Funding Agency's Funding Regulations as being on a full-time study programme (that is, more than 540 timetabled hours a year). This clarification does not apply to any other Apprenticeship framework.

### **Evidence required**

As well as the Learning Agreement we will require evidence of the following.

Paragraph 129.2 – If the working hours of the apprentice vary from week to week, you must make sure that you meet the minimum length of the framework as shown in the funding rules. This includes both increases and reductions in hours where you will extend or reduce the minimum length as necessary. You must not change the 'Learning planned end date' field of the ILR but this alteration will be reflected in the 'Learning actual end date' field of the ILR.

Paragraph 134 – If no formal teaching or learning is taking place and the apprentice is involved in workplace practice, a self-declaration made by the apprentice is one example of what we will accept as evidence of being in learning.

Paragraph 136 – For a break in learning, the apprentice's Learning Agreement must show previous learning. For apprentices that transfer, documents that show the time they have already spent on the Apprenticeship and that the total length will meet the minimum requirements.

Paragraph 148 – Evidence, from an authoritative source (for example a local authority or probation service) setting out the reasons why the learner has not been able to enter learning before their 19th birthday due to circumstances or a reason beyond their control.

## Traineeships

The Traineeship programme helps unemployed young people to develop the necessary skills and experience to progress to an Apprenticeship or long-term work.

This section applies to:

- Traineeships for 16- to 18-year-olds delivered by providers who do not have a funding agreement with the Education Funding Agency (EFA), but have a funding agreement with us for 16 to 18 Apprenticeships; and
- Traineeships for 19- to 24-year-olds.

The funding rules for Traineeships for 16- to 18-year-olds are based on EFA's funding-per-student method, based on hours (see note 7).

If you are a delivering Traineeships for 16- to 18-year-olds, you must read these rules together with [EFA's Funding guidance for young people 2013/14: Funding regulations, Funding guidance for young people 2013/14: Rates and formula](#), and the [16-19 Bursary Fund Guide for 2013/14](#). We will update the references to the EFA's funding guidance for 2014/2015 when they become available.

Traineeships for 19- to 24-year-olds will be funded through our current funding system and our funding rules.

All providers delivering Traineeships funded by us should read these rules together with the [Traineeships Framework for Delivery document](#) and the [ILR Provider Support Manual](#).

### Provider eligibility and contracting

152. In 2014/2015, you are only eligible to deliver Traineeships if the following apply.

- 152.1. You have an Ofsted inspection grade of Outstanding (Grade 1) or Good (Grade 2). This includes providers with these grades at the start of the programme (2013/2014 funding year) and those who achieve these grades following a subsequent inspection.
- 152.2. You dropped from a Grade 1 or 2 to a Grade 3 ('Requires Improvement') in 2013/2014 and were not re-inspected before the start of 2014/2015. You can continue to deliver in

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Note 7: EFA's funding-per-student method is based on the total qualification and non-qualification hours that should be reported in the Individualised Learner Record (ILR). It is not based on the value of the individual qualification that a learner follows. Please see Annex B to the [EFA's Funding guidance for young people 2013/2014: Funding regulations](#).

2014/2015 but you cannot deliver beyond those levels delivered in 2013/2014 until you are re-inspected and achieve a Grade 1 or 2. Your final position in 2013/2014 will be the baseline for your 2014/2015 programme.

153. If you were previously eligible to deliver Traineeships, but you drop to an Ofsted grade of 'Requires Improvement' (Grade 3) within the 2014/2015 funding year, you will remain eligible to deliver Traineeships, but the following conditions will apply.

153.1. You can continue to complete and start learners on the Traineeship programme but cannot develop your Traineeship programme until you are re-inspected and achieve a Grade 1 or 2. You will be considered to have reached the limit of your 2014/2015 Traineeship programme when either the planned or estimated volume of Traineeships has been met, or the maximum relevant contract value available is spent.

153.2. If you do not improve to a Grade 1 or 2 following your first re-inspection, you will no longer be eligible to deliver Traineeships.

154. If you are 'under notice' from us for failing to meet our post-19 Minimum Levels of Performance threshold, or are under notice from EFA for failing to meet their Minimum Standards, you will not be eligible to deliver Traineeships in 2014/2015, whatever your Ofsted grade.

155. If you are under notice from either us or the EFA (including Notices to Improve issued by EFA and Notices of Concern or Notices of Breach issued by us) for Financial Health or Financial Management and Control, and you hold Ofsted grade 1 or 2, you will be able to ask for an assessment of your notice situation to determine whether you would be able to deliver Traineeships.

#### *Traineeships for 16- to 18-year-olds*

156. If you have a funding agreement with EFA and a 16 to 18 Apprenticeship funding agreement with us, you will receive funding for Traineeships through your funding agreement with EFA and these rules do not apply to you. In this case, you must refer to [EFA's Funding guidance for young people 2013/2014: Funding regulations](#).

157. If you do not have a funding agreement with EFA, but you have a funding agreement with us for 16 to 18 Apprenticeships, we will enter into a contract for you to deliver Traineeships. The funding you receive for Traineeships through us will be based on EFA's funding-per-student method as described above. This will make sure that all providers delivering Traineeships to 16- to 18-year-olds have access to the same

offer and receive equal funding. So, these funding rules apply if you are delivering Traineeships through a contract with us.

158. You must not use your 16 to 18 Apprenticeship budget to deliver Traineeships.
159. You must use your Traineeship budget only for delivering Traineeships. We will monitor this through our performance management approach.

*Traineeships for 16- to 18-year-olds and for 19- to 24-year-olds*

160. If you are a lead provider with a funding agreement to deliver Traineeships, you can subcontract Traineeship provision to subcontractors declared on your subcontractor declaration form as of 1 June 2013. However, under the Traineeship programme, eligible lead providers must not subcontract to a provider with an Ofsted grade of Inadequate or a provider under notice from either us or EFA for any reason.
161. If you are a lead provider and want to enter into a new subcontracting agreement for Traineeships, the provider must have an existing Ofsted grade of Outstanding (Grade 1) or Good (Grade 2). If your subcontracting arrangements change during the year you must update your subcontractor declaration form. Please see paragraphs 437 to 472 for more information on the subcontracting rules.

### **Learner eligibility**

*Traineeships for 16- to 18-year-olds*

162. To be eligible for funding for a Traineeship, a young person must meet EFA's residency requirements as set out in paragraphs 20 to 37 of [EFA's Funding guidance for young people 2013/14: Funding regulations](#).
163. The young person must also be:
  - 163.1. aged 16 to 18 (see note 8) and have not yet achieved a full level-3 qualification or equivalent; or
  - 163.2. aged 16 or over, but under 25, and have an Education, Health and Care Plan (EHC plan).

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Note 8: A 16- to 18-year-old learner is any learner who is aged 16, 17 or 18 on 31 August in the relevant funding year. A learner cannot start until 1 August after they leave Year 11.

### *Traineeships for 19- to 24-year-olds*

164. To be eligible for funding for a Traineeship, a young person must meet our residency requirements as set out in Annex 1.

165. The young person must also:

165.1. be aged 19 or older on 31 August in the funding year in question, but have not had their 25th birthday at the start of the Traineeship (see paragraph 3, note 1); and

165.2. not have achieved a full level-2 qualification or above.

### *All individuals*

166. To be eligible for funding for a Traineeship, all individuals must:

166.1. be unemployed (see note 9) at the start of the Traineeship;

166.2. have little work experience and be focused on work or the prospect of it; and

166.3. have been assessed by the provider as being ready for employment or an Apprenticeship or a full-time study programme (for 16- to 18-year-olds only) within six months of starting their Traineeship. You must record this in the Learning Agreement.

167. All learners will be fully funded for all of their Traineeship programme.

168. An individual is not eligible to start a Traineeship if they are:

168.1. ready to start an Apprenticeship;

168.2. ready to enter work; or

168.3. employed.

169. Offenders released on temporary licence (ROTL) are considered to be unemployed. So only those offenders from a prison where an OFSTED inspection and feedback through an Her Majesty's Inspectorate of

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Note 9: As well those who do not have a job, we will allow those who are employed to take part in a Traineeship if they work no more than 16 hours a week and earn:

- less than 16 times the National Minimum Wage each week, or
- less than £330 a month.

For the purposes of eligibility for full funding for a Traineeship, learners who are receiving Universal Credit, and are in the Work Preparation Group or the Work Focused Interview Group, are considered to be 'unemployed' if they are earning less than 16 times the National Minimum Wage each week or less than £330 a month.



Prisons inspection leads us to judge the OLASS provision to be 'Outstanding' or 'Good' are eligible for a Traineeship. The Traineeship must be funded by the relevant funding source and not through OLASS.

### **Traineeship duration**

170. The maximum duration for a Traineeship is six months from the start date of the first element. The work-placement, work-preparation and flexible elements must be completed within this six-month period.

#### *Traineeships for 16-to 18-year-olds*

171. You must report the planned hours for a learner in the ILR. This covers all elements of the Traineeship, including the flexible elements (see paragraphs 200 and 201). Please note that learners will normally be funded as a part-time study programme, based on the planned hours entered on the appropriate funding rate band. You can find more details on EFA's national funding rates in paragraph 5 of [EFA's Funding guidance for young people 2013/14: Rates and formula](#).

172. If, following six months on the Traineeship, the learner has yet to complete all its elements, the work-placement element must be completed, signalling the end of the Traineeship.

173. Where a young person successfully progresses to an Apprenticeship, full-time study or a job that meets the Raising of the Participation Age (RPA) requirements, this will be reflected in EFA's funding method. You can find more details on this in paragraphs 28 and 29 of [EFA's Funding guidance for young people 2013/14: Rates and formula](#).

#### *Traineeships for 19- to 24-year-olds*

174. If a learner does not complete the English and maths elements of the Traineeship within 6 months we will continue to fund these elements until these learning aims have been completed. (All other elements must be completed within 6 months).

175. Job outcome payments will apply to all learning aims, except the work placement as described above. You can find more details on job outcome payments in paragraphs 92 to 96.

### **Traineeship core elements**

176. A Traineeship must include the following elements.

176.1. Work placement (see paragraphs 177 to 184)

176.2. Work-preparation training (see paragraphs 191 to 193)

176.3. English and maths where necessary (see paragraphs 194 to 198)

### **Work placement**

177. Work placements provided as part of the Traineeship programme must be of a high quality, involve meaningful activities which provide a real employment experience, be tailored to the needs of the learner, and be sufficient for the learner to develop new workplace skills and behaviours.
178. The maximum duration for a Traineeship is six months. This must include a work placement for at least six weeks and no longer than five months. The work placement must be completed within the period of the Traineeship.
179. For learners on a state benefit related to their unemployment, the Department for Work and Pensions (DWP) benefit rules state that work placements must be for six to eight weeks in a row. So these rules also apply to work placements for Traineeships.
180. For learners not on a state benefit related to unemployment, the work placement does not have to be limited to eight weeks, and the weeks do not need to be in a row.
181. In some cases, such as when a learner is doing their work placement in a small or medium-sized business, it may be appropriate for them to have a number of separate work placements in different organisations totalling at least six weeks. Although more than one employer may provide a work placement, a learner on a Traineeship must spend at least two weeks with a single employer.
182. The work placement must take place with an employer in a workplace setting. Simulated work placements, such as in workshops within a provider's premises, or in a prison environment, may form a helpful part of work-preparation training but do not count as work placements for the purposes of Traineeships. We expect the work placement employer to be identified before a young person starts a Traineeship. However this is not a requirement to register a Traineeship start.
183. Learners must be offered an interview with their work-placement employers at the end of each placement. This can be:
  - 183.1. a formal interview for a job or Apprenticeship vacancy, plus feedback (if the learner is unsuccessful in their interview they should receive written feedback as detailed in 182.2); or
  - 183.2. an exit interview, written feedback and evidence of their time and activities during the placement.

184. If you are delivering Traineeships to 16- to 18-year-olds, you must report the work placement in the ILR as the core aim in a learner's study programme.

## **Work-placement funding and achievement**

### *Traineeships for 19- to 24-year-olds*

185. Work placements will be funded according to the appropriate funding band that relates to the number of hours a learner spends on a work placement.
186. Learning-aim references for work placements are listed on LARS, and are based on the planned hours spent on a placement. You can only record and be funded for these learning aims for a learner aged 19 to 24 as part of a Traineeship.
187. The minimum number of hours a learner must spend on a work placement is 100 hours.
188. Funding arrangements for the work placement will be the same as those for other learning aims funded through the Adult Skills Budget. Therefore the achievement element of the work placement's funding rate will be 20%.
189. For a learner to have achieved the work-placement element they must have:
- 189.1. progressed to an Apprenticeship; or
  - 189.2. progressed to an eligible job (see notes 10 and 11).
190. As the 20% achievement element of the work placement is based on progressing to an Apprenticeship or long-term employment, a separate job outcome payment does not apply to the work placement.

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Note 10: The learner must leave, progress and be reported as moving to one of the positive destinations within the ILR for the current year in which the learner leaves learning.

Note 11: For the purpose of achievement of the work placement element, a job must last 16 hours or more a week for at least six weeks in a row.

## **Work preparation**

191. For Traineeships delivered by 16 to 18 Apprenticeship providers, if the work-preparation training leads to an accredited qualification, the qualification must be offered by an Ofqual-regulated awarding organisation and approved on LARS for 16 to 18 funding in the 2014/2015 academic year. Work preparation for the learner can be non-accredited, in which case it should be reported in the ILR using the appropriate codes.
192. For 19 to 24 Traineeships, the work-preparation element must consist of regulated provision (including units) on the Qualifications and Credit Framework (QCF) up to and including level 2, be approved by us for funding, and be listed on LARS.
193. For all learners, work-preparation training must be focused on activities that will help the learner to progress to an Apprenticeship or find long-term employment. So it must be closely tied to the employability needs of the learner and may cover aspects such as writing CVs, preparing for interviews, searching for jobs and inter-personal skills.

## **English and maths**

194. All learners must be assessed for English and maths. Any learner without a minimum GCSE grade C in English and maths must be supported to progress.
195. From 2014/2015 there will be conditions of funding attached to teaching English and maths qualifications as part of the 16-19 study programme. Providers delivering Traineeships for 16- to 18 year olds should refer to the ['Overview of the 16 to 19 Funding Formula'](#) which provides details about the conditions of funding.

### *Traineeships for 16- to 18-year-olds*

196. The learner must be enrolled, based on their needs, on one of the following qualifications in English and maths where necessary.
  - 196.1. GCSE or iGCSE
  - 196.2. Entry-level, level-one or level-2 Functional Skills
  - 196.3. Foundation intermediate or advanced Freestanding maths qualifications
  - 196.4. English for speakers of other languages (ESOL) qualifications

197. If the learner has already achieved a Functional Skills qualification at level 2 they must work towards achieving a GCSE grade C or higher. We also encourage providers to consider offering higher-level provision to those learners who have already achieved a grade C in English or maths, particularly level-3 maths qualifications.

#### *Traineeships for 19- to 24-year-olds*

198. You must follow the English and maths rules set out in paragraphs 84 to 88.
199. The learner must be enrolled, based on their needs, on one or more of the regulated English or ESOL qualifications and maths qualifications set out in the [Qualifications Information Guide](#).

#### **Flexible element**

200. Alongside the core elements, providers delivering Traineeships for 16- to 18-year-olds can offer other activities (see note 12), including appropriate vocational qualifications approved on the [section 96](#) qualifications list, offered by Ofqual-recognised awarding organisations and approved on LARS for 16 to 18 funding in the 2014/2015 funding year.
201. Alongside the core elements, providers delivering Traineeships for 19-to 24-year-olds can offer other regulated qualifications (including units of QCF qualifications), up to and including level 2, that are approved by us for funding and will help the learner move into work or remove a barrier to them entering work. This will be as part of their learner entitlements as set out in Annex 1.

#### **Individualised Learner Record (ILR)**

202. You must complete the ILR following the rules for reporting learners funded through EFA's 16 to 18 funding model or our current funding model (as appropriate), as set out in the ILR Specification for 2014/2015 and the ILR [Provider Support Manual](#).
203. The LDM code used in 2013/2014 has been replaced by a code in the 'Programme type' field of the ILR. Please refer to the ILR specification for more details.

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Note 12: See [Traineeships Framework for Delivery document](#) page 18, paragraph 62.

## Performance management

204. We will monitor the performance of Traineeships through our established processes. Please see our [Performance Management Rules](#) for more details.
205. Ofsted will review Traineeship provision during the course of inspections and will report on quality in their inspection reports. If a Traineeship provider fails to meet the expected standards we will take action in line with our published [Approach to Intervention](#).

## Learning Support

*Traineeships for 16- to 18-year-olds*

### Disadvantage funding

Under EFA's funding method, disadvantage funding (that is, extra funding to support the most disadvantaged learners) is made up of two elements (blocks) – one takes account of a learner's economic deprivation (block 1) and the other takes account of previous achievement in English and maths (block 2). There are more details on disadvantage funding in paragraphs 45 to 55 of [EFA's Funding guidance for young people 2013/14: Rates and formula](#).

206. Block 2 funding is not intended to fund English and maths qualifications (that is, GCSEs and Functional Skills). It should be used to fund support for all learners to achieve their learning goals. This includes support for those with low-cost, high-incidence learning difficulties and disabilities.

### High-needs student (HNS) funding

High-needs students (HNS) are those who need more support than normal to get access to, progress towards and successfully achieve their learning goals. You can find more details on HNS funding in paragraphs 61 to 64 of [EFA's Funding guidance for young people 2013/14: Rates and formula](#). Learners who are aged 16 but under 25 and have an EHC plan are eligible for EFA funding.

207. If a learner needs more than £6,000 of support costs, you must tell our Central Delivery Service.
208. You must report high-needs students using code HNS1 in the 'Learner Funding and Monitoring' fields in the ILR.

### *Traineeships for 19- to 24-year-olds*

209. Learners will have access to Learning Support and Exceptional Learning Support as set out in paragraphs 222 to 228.
210. Learning Support must not be claimed for the work-placement element of the Traineeship.

## **Learner Support**

### *Traineeships for 16- to 18-year-olds*

## **16-19 Bursary fund**

Learners who are eligible, or are supported by their provider, will have access to the 16-19 Bursary fund. The 16-19 Bursary fund has two elements – an element for learners in defined vulnerable groups and a discretionary element awarded by providers to young people that best fit the needs and circumstances of their learners. The rules below must be read in conjunction with EFA's [16-19 Bursary Fund Guide for 2013/14](#).

## **Vulnerable-student bursaries**

211. Learners in the defined vulnerable groups will be eligible for a bursary of £1,200 if their course lasts for 30 weeks or more. (You should pay a proportionate amount for courses lasting less than 30 weeks a year.)
212. You must identify learners that are eligible for a vulnerable student bursary payment. The defined vulnerable groups are as follows.
  - 212.1. Young people who are looked after (in care)
  - 212.2. Young people leaving care
  - 212.3. Young people receiving Income Support or Universal Credit in their own name
  - 212.4. Disabled young people receiving Personal Independence Payments or both Employment and Support Allowance and Disability Living Allowance
213. You must apply for the funding for learners in the defined vulnerable groups from the Learner Support Service by filling in a Funding Claim form, which you can download from the [Department for Education website](#). You should email this form to the Learner Support Service at

[enquiries@efalearnersupport.co.uk](mailto:enquiries@efalearnersupport.co.uk). Once the claim has been approved by the Learner Support Service, you can claim the funding using the Earnings Adjustment Statement.

### **Discretionary bursaries**

214. You can make discretionary bursary awards to learners in ways that best meet their needs and circumstances. You must target bursary awards towards those who face the greatest financial barriers, such as high costs of transport, meals, books and equipment.
215. You are free to decide which learners should receive a discretionary bursary award, and the frequency of and conditions for payments for all awards, depending on the requirements of the Equality Act 2010 and the allocated budget. You can claim the discretionary bursary award using the Earnings Adjustment Statement.

### **Care to Learn**

216. Care to Learn helps with the costs of childcare to help young parents under the age of 20 who may not otherwise be able to complete their education. Learners must apply for Care to Learn in each academic year to continue to receive support.
217. You can find more details on the Care to Learn Scheme on the Department for Education's website.

*Traineeships for 19- to 24-year-olds*

### **Discretionary Learner Support**

218. Learners will have access to Discretionary Learner Support (DLS), in line with the DLS funding rules, where the provider has an allocation and the learner meets the eligibility criteria. You can find more information on DLS in paragraphs 338 to 349.
219. Learners will have access to DLS for all elements of a Traineeship, including the work-placement element, except for providing necessary safety equipment and the like. This should be provided by the employer, Jobcentre Plus or the Department for Work and Pensions (DWP).
220. As stated in paragraph 342.3, you must not use DLS if the learner is already receiving help from Jobcentre Plus with travel or childcare costs.



## **Evidence required**

As well as the Learning Agreement we will require evidence of the following.

Paragraph 183.1 – Evidence of a formal interview and feedback.

Paragraph 183.2 – Evidence of an exit interview, written feedback, and evidence of the time spent on, and activities performed during, work placements.

## Learners with learning difficulties or disabilities

We are committed to making sure the skills system operates effectively to support the needs of the learners who are most disadvantaged, including those with learning difficulties or disabilities. This means making sure the right level of support is available to remove barriers to education and training so that learners can make the most of their potential.

We will fund learners with learning difficulties or disabilities as set out in the Apprenticeships, Skills, Children and Learning Act 2009. That Act states that we are responsible for:

‘Securing the provision for adults who:

- are aged 19 and over, and under 25, who are not subject to an Education, Health and Care Plan (see note 13); or
- are aged 25 and over and who self-declare they have a learning difficulty or disability.’

For details of the funding we provide for apprentices with learning difficulties or disabilities, see page 42.

221. If a learner has an Education, Health and Care Plan (EHC plan) you must report this in the ‘Learner funding and monitoring’ fields in the ILR.

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Note 13: The EFA is responsible for funding provision for students aged 19 to 24 who have an Education, Health and Care Plan.

## Learning Support

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

Learning Support should not be used to deal with everyday difficulties that are not directly associated with a learner's learning on their programme.

Learners who were funded by the Education Funding Agency and became our responsibility for continuing learning aims will continue to receive Learning Support at the same level.

Learners funded by Loans can get Learning Support from the Loans Bursary Fund (see paragraphs 406 to 423).

222. Learning Support may be used if learning continues past the planned end date and the learner still needs support.
223. There are no restrictions on transferring funding between Learning Support and participation funding.
224. We will review whether your use of Learning Support funds represents good value for money. If we consider that the funding we have provided is significantly more than the cost of the support provided, we may, after consulting you, reduce the amount of funding we pay you.
225. Learning Support will be earned at a fixed monthly rate if it has been reported in the ILR against an identified learning aim. We expect the total you earn from the monthly rate to be enough to cover your costs. If the cost of you providing support to a learner goes above the total earned from the fixed monthly rate, and you provide evidence of the excess, you will be able to claim this excess using the Earnings Adjustment Statement.
226. If you are planning to deliver the learning aim in less than one calendar month you must claim the value of the Learning Support as if it were all excess.

227. You must:

- 227.1. carry out a robust assessment to identify the support the learner needs;
- 227.2. agree and record the outcome of your assessment in the Learning Agreement;
- 227.3. deliver support to meet the learner's identified needs, and review progress and continuing needs as appropriate;
- 227.4. record all outcomes on the Learning Agreement and keep evidence of the assessment of the needs; and
- 227.5. in the ILR, report that a learner has a learning support need associated with an identified learning aim, by entering code LSF1 in the 'Learning Delivery Funding and Monitoring' field and entering the corresponding dates in the 'Date applies from' and 'Date applies to' fields.

### **Exceptional Learning Support claims above £19,000**

Some learners may need significant levels of support to start or continue learning. These learners are unlikely to be planning to take part in learning without careful consideration of their needs and the ability to meet them, and there will be other agencies involved in their care and support. These learners can get access to Exceptional Learning Support if their support costs more than £19,000.

Learners aged 19 to 24 requiring significant levels of support would normally be expected to have an Education, Health and Care Plan provided by their local authority and therefore would access funding from their local authority unless they are undertaking an Apprenticeship.

Where you are seeking to claim Exceptional Learning Support above £19,000 for a learner aged 19 to 24 who does not have an Education, Health and Care Plan, or is not undertaking an Apprenticeship, you will have to confirm why the learner does not have an Education, Health and Care Plan.

228. You must:

- 228.1. first get agreement from our Central Delivery Service for learners whose support costs more than £19,000 in a funding year, by filling in the [Learning Support costs form](#);

- 228.2. get further agreement if the learner's support needs change significantly during their learning; and
- 228.3. make payment claims for learners' exceptional learning support in 2013/2014 by 28 October 2014.

## **Evidence required**

As well as the Learning Agreement we will require evidence of the following.

Paragraph 225 – When you claim Learning Support over the fixed monthly rate you must keep evidence of total spending on the learner, and demonstrate why the cost of the support is greater than the total earned from the fixed monthly rate. You must keep evidence of why you have claimed the amount you have, which would be linked to the learner's assessment and planned Learning Support claim. You must only claim amounts for your costs of delivering the support to the learner and not include any indirect costs or overheads.

Paragraph 227 – Evidence that the Learning Support claimed through the ILR is backed up by an assessment, that there is a planned programme of support included in the Learning Agreement, and there is evidence of the planned programme for providing additional support included in the Learning Agreement.

Paragraph 3 in the box on page 59 – Evidence of why the learner does not have an EHC plan. This should be a letter or email from the learner's local authority stating that the learner does not have an EHC plan as they do not meet the criteria.

Paragraph 228 – A copy of the agreement between you and our Central Delivery Service to fund exceptional learning support. This could be an email from our Central Delivery Service.

## Section 3 - Programmes

### European Social Fund (ESF)

All providers that receive ESF funding from us for their provision, or where we use the mainstream funding we allocate to them as ESF match funding, must keep to these rules. This document provides important information to support the ESF, particularly if the rules are different from or apply as well as our normal rules. You should read these fully as well as:

- the offer pack or tender specification the contract was awarded to deliver; and
- the funding agreement, ESF rules and regulations applied by the European Social Fund Division (ESFD) in how they relate to the ESF programme in England. The ESF Managing Authority in England will update the [ESF Manual](#) throughout the programme and we are responsible for telling you about any revisions.

These documents form part of the terms and conditions of your funding agreement.

In line with the ESF Manual, we refer to individuals who are supported through ESF activity using our funding as 'participants'.

#### ESF match funding

229. For detailed rules on ESF match funding, see paragraphs 22 to 27.

#### ESF provision

230. For stand-alone ESF provision, the maximum funding available is set out in the main funding agreement.

231. We will pay you for your ESF provision when you send us your ILR returns and when you fill in a delivery statement using the provider gateway. Your funding agreement sets out what you must deliver, how we will pay you for each element you deliver and the associated rules on providing evidence.

## **Eligibility**

232. ESF rules and regulations say that, to be eligible for ESF help, participants must be 'ordinarily resident' (see paragraph 23 in Annex 1) in the UK and be able to work in the UK.
233. Workers who have come to the UK with valid work permits are eligible for ESF co-financing help without the normal three-year waiting period.
234. To be supported by ESF from us, all participants have to be eligible for our funding first. However, asylum seekers eligible for our funding (as shown in Annex 1) will not usually be eligible for ESF co-financing help as they will not have the right to work in the UK.
235. There is specific guidance on the eligibility of projects in the main terms and conditions document which takes priority over this document if there is any difference between the two. However, the following sections give details on some areas which apply to all ESF we provide.
236. You need to have documentary evidence of a participant's eligibility before they start the programme.

## **Geographical eligibility**

237. Wales, Scotland and Northern Ireland all have separate ESF programmes. Individuals living outside England are not eligible to be supported through our ESF programme.
238. For activity funded from the Convergence Objective, or the ring-fenced phasing-in funding (in areas within the Competitiveness Object), the activities must take place within the appropriate Convergence (Cornwall and the Isles of Scilly) or phasing-in area (Merseyside or South Yorkshire).
239. Beyond these rules, geographical eligibility for a particular ESF project will depend on the rules of the contract.
240. Eligibility for ESF is decided by referring to a participant's status on the day they begin their programme of learning. If a participant moves on or changes to another ESF-funded project, their eligibility is based on their status when they start the new programme of learning.

## **Activity**

241. The eligible activity under ESF provision will be governed by the rules of the offer pack or tender specification the contract was awarded to deliver. This will be explained in the contract.

## **Age**

242. Participants in ESF are defined by their actual age at the time of starting their programme of learning. You must refer to the funding agreement for the age range eligible for a specific contract.

## **Participants starting on activity**

243. You must carry out individual assessment and planning activities for all participants starting on ESF-funded activity before they start the main activity or qualification.
244. This activity will include information, advice and guidance (IAG), basic skills assessments, assessments of ability, learning plans and inductions.
245. It is essential that you identify any gaps in the skills of participants and that you either put in place provision to support those participants to improve or refer them to other appropriate provision.
246. You must assess all participants before or as soon as they enter ESF provision. You must make sure that the information you get from the assessment appropriately identifies the needs of the participant. The results of the assessment must include details of previous competence and must be recorded and used to provide an individual learning plan (ILP) as part of the Learning Agreement.
247. The Learning Agreement must contain details of what will be delivered, how it will be delivered (for example, by group work, workbook and so on), and the way it will be delivered taking account of the participant's learning styles and abilities. The Learning Agreement must be signed by the participant at the start of the learning activity.
248. All participants must receive a thorough induction that covers, at least, the following.
- 248.1. Programme content, delivery and assessment arrangements, including your contact details
  - 248.2. How the programme is funded through ESF
  - 248.3. Equality and diversity



248.4. Health and safety

248.5. Disciplinary, appeal and grievance procedures

248.6. Terms and conditions of learning

### **Learning Support, Exceptional Learning Support and Learner Support**

249. ESF funding agreements have the same support facilities as mainstream funding agreements. However, the cost of these services will be built into the unit price of the deliverables used for the contract.

### **Closing the project**

250. You must complete all services by the date shown in the funding agreement and have all evidence of achievement in place by the final return, no later than three months after the end date. We will close your contract in line with the final version of the funding agreement.

251. You must keep all original evidence relating to invoices, management information, participant information and all other documents needed to prove you have delivered the services until at least 31 December 2022.

252. You can keep physical or electronic copies of this evidence. If you keep electronic copies, you must follow the rules set out in section 2.29 of Manual 2 from the [ESF Managing Authority](#).

253. You must make a declaration showing where you will store this evidence and who will be responsible for looking after it.

254. All data on participants must be accurate and up to date, and you must correct any mistakes. Where necessary, all delivery statements for the services must be completed and processed correctly on the provider gateway. We will allow three months after the end date of the services set out in the funding agreement for you to provide correct data. You must keep all participant information until at least 31 December 2022.

255. We will take account of the outcomes of audits when we carry out financial reconciliation of services (that is, when we compare your earnings and our payments to you). We will make sure that we correct any mistakes found from the audits or all necessary action has been taken. This information will have been provided within the provider financial assurance (PFA) report that we sent out after the audit. You need to be aware that the services may still be audited by the Department for Work and Pensions (DWP) or the European Commission (EC) after the delivery has finished.

256. As required by the funding agreement, you must provide a final evaluation of the services. The evaluation will include:
- 256.1. an overview of the service delivered;
  - 256.2. publicity and communications carried out for the services;
  - 256.3. the effect on the cross-cutting themes of equal opportunities (breakdown of participants), sustainability and health (London only);
  - 256.4. how the services fitted in with local needs;
  - 256.5. value for money;
  - 256.6. lessons learnt; and
  - 256.7. a progression and exit strategy.

**Priority 1 and 4 – people who do not work**

257. The eligible groups of individuals who are not in work will be set out in the main funding agreement.
258. For the purposes of ESF, ‘unemployed’ means a participant is:
- 258.1. either not in paid employment or is in paid employment working fewer than 16 hours a week and is signing on reporting their earnings to Jobcentre Plus;
  - 258.2. available to start work; and
  - 258.3. looking for work, or waiting to start a job that they have already got.
259. For the purposes of ESF, ‘economically inactive’ means that a participant is not employed but does not meet the criteria for unemployment. People who are economically inactive must be:
- 259.1. of working age;
  - 259.2. not employed;
  - 259.3. not self-employed; and
  - 259.4. not actively looking for work.

260. For the purposes of ESF, 'full-time education or training' means a participant is:
- 260.1. in full-time education either in a school, a further education institution or a higher education institution;
  - 260.2. in full-time workplace learning (including Apprenticeships, other workplace learning or foundation learning); or
  - 260.3. in other education or training (including independent colleges or training centres or receiving training or education but not currently employed).
261. For the purposes of ESF, 'full-time' refers to education or training that is at least 12 guided learning hours a week for at least 10 weeks.
262. Part-time education or training is education or training that does not meet these minimum time rules.
263. For the purposes of ESF, 'not in education, employment or training (NEET)' means that a participant is aged 14 to 19 and not in:
- 263.1. full-time education either in a school, a further education institution or a higher education institution;
  - 263.2. workplace learning (including Apprenticeships);
  - 263.3. other education or training (including independent colleges or training centres or receiving training or part-time education but not currently employed such as Traineeships); or
  - 263.4. employment.
264. For the purposes of ESF, 'at risk of becoming NEET' means that a participant is aged 14 to 19 and has been identified as being at risk of becoming NEET by a referral agency such as a local authority or a youth offending team.
265. We support NEET participants (as defined in paragraph 263 but aged 18 to 24) through other support for unemployed people in priority 1 and 4.

## **Priority 2 and 5 – people who are employed**

266. Participants supported by priority 2 or 5 ESF provision must be employed, unless we state otherwise in the contract.
267. For the purposes of ESF, 'employed' means that the participant:
- 267.1. has a contract of employment under which they must carry out work for the hours shown in the contract and for which they are paid or are a volunteer; and
  - 267.2. is either employed or volunteering under the contract or agreement for eight hours a week or more (you must assess participants with an irregular working pattern using a four-week average).
268. This includes:
- 268.1. employees (people who work for a company and have their National Insurance contributions paid directly from their wages); and
  - 268.2. self-employed people (people who work for themselves and generally pay their National Insurance contributions themselves, and who are registered with HM Revenue & Customs as being self-employed).
269. Priority 2 and 5 can support participants who are under consultation or notice of redundancy, have been told by their employer that they are likely to be directly affected by downsizing or company closure locally, or have recently been made unemployed. Support for those at risk of redundancy must not involve wage subsidies but may include eligible activities such as retraining, increasing their skills and careers advice.

## **Publicity, cross-cutting themes and evaluation**

270. You must keep to our logo and design guidelines on all promotional materials or activities relating to delivering the contract, as set out on our website.
271. You and your subcontractors must keep to the ESF publicity rules, which are summarised below.
272. If we declare mainstream activity as match funding for ESF, you must also keep to the ESF publicity rules if you are a mainstream provider.
273. You must display the ESF logo and references to financial support from the ESF when ESF opportunities, activities and achievements are

described or publicised. This includes but is not restricted to displaying them on:

- 273.1. all information and publicity materials, including websites, communications sent over the internet, correspondence and literature used by participants;
- 273.2. advertisements, press releases and other media-targeted materials; and
- 273.3. all documents that are used with participants and partners, for example, enrolment documents, individual learning plans (ILPs), attendance records and internal certificates.

274. It is essential that you display any ESF plaques prominently at your and subcontractors' premises. You can get these plaques from us. If you need extra plaques, you should contact our Central Delivery Service.

275. You must publicise your ESF-funded activity as widely as possible. At the very least, this includes:

- 275.1. preparing a communications plan at the start of the contract to make sure that approved marketing and publicity activity is distributed throughout the project to tell the public and others about the launch, ongoing successes and end-of-contract achievements; and
- 275.2. using the ESF [publicity toolkit](#) to generate quality press releases, case studies and carry out media interviews to make sure you keep to these requirements.

276. You must tell our Central Delivery Service about all planned and actual publicity activity.

277. In your evaluation reports, you must provide an update of activity against the communication plan.

278. For more guidance, you should refer to the funding agreement and the [ESF in England website](#).

### **Equal opportunities**

279. You must make sure that you actively promote equal opportunities in line with your public duty by law and you must prevent any discrimination. You can find guidance on the [ESF in England website](#) and in our [Single Equality Scheme](#).

280. You must have an equal opportunities policy in place. We expect you to use the equal opportunities policy evaluation toolkit available on the [ESF in England website](#).
281. You must take part in activities to keep a record of, review and improve your current equal opportunities practices and we will monitor your delivery arrangements as part of the arrangements for managing contracts.

### **Sustainable development**

282. You must have a sustainable development policy in place. We expect you to use the sustainable development policy evaluation toolkit and the sustainability resources available on the [ESF in England website](#). You need to record any actions arising in a strategy document or action plan and we will measure your progress towards these actions at monitoring visits. You should measure your performance against peer organisations to further improve performance and so you can share best practice.
283. You must also keep to all relevant environmental laws and regulations relating to delivering the contract.

### **Health (London only)**

284. If you are delivering ESF provision under the London Co-financing Plan, you need to tackle the regional cross-cutting theme of health.
285. The Greater London Authority has developed a health performance management framework (PMF) and accompanying guidance to support providers of London's ESF to report on progress with this theme. You can find the PMF, guidance and appendices from the health cross-cutting theme webpage on the [Greater London Authority's website](#).
286. You must complete the PMF within the first three months of starting to deliver your project and send it to us to review. We will monitor you against your self-assessment each year to identify progress and discuss further development. In particular, you must meet your responsibilities under this theme to:
- 286.1. complete the PMF and action plan;
  - 286.2. carry out ongoing monitoring against the PMF assessment;  
and
  - 286.3. evaluate the effect.

## **Provision supporting NEETs, unemployed and redundancy (14 to 19)**

287. If:

287.1. you hold an ESF contract to deliver training for NEETs, unemployed people or people under notice of redundancy; and

287.2. any term in the ESF contract is different from one or more of our funding rules, the terms in the ESF contract will apply instead of the funding rules.

## **Evaluation and annual reporting**

288. To help you report on the services, you must, if we ask, be able to give us examples of:

288.1. measures taken to provide information on and publicise the services;

288.2. putting the cross-cutting themes of equal opportunities and sustainable development into practice; and

288.3. case studies of good-practice projects.

289. You must fill in a project evaluation report. This report will cover the number of participants helped, their backgrounds, the support measures provided and the qualifications gained. The report must also provide, but not be limited to, an overview of the complete project, details on the sustainability of the project after ESF funding ends and include 'good news' stories and case studies.

290. You must co-operate with any programme-level evaluation projects led by the DWP's ESF Division or their appointed consultants who will contact you direct.

## **State Aid**

291. State Aid involves using funding from a public body to provide support in a commercial enterprise that might distort competition and affect trade in the European Union. ESF learning provision in priority 2 and priority 5 delivered to meet the training needs of the employer, as opposed to those of an individual employee, could be considered to be State Aid and could be recovered from the employer. To avoid recovery, you must keep to EC State Aid regulations for 'de minimis' support and training aid.

292. Under [de minimis rules for State Aid](#), an enterprise must not receive more than €200,000 financial support from public or publicly funded sources in a rolling period of three financial years. You must show that you have checked the level of financial support from public sources to any enterprise which benefits from the services delivered under ESF contracts. You must do this check, and get a signed declaration from the employer, before you start delivery under an ESF contract.
293. You must do this when an individual recruited through a commercial enterprise receives training or support that is not freely available to all – in other words, is not covered by an entitlement to funding from us. Any ESF provision that provides support to employers or their employees, including any learning delivered above the statutory entitlement of level 2, must be declared as a State Aid under de minimis rules.
294. If an enterprise has already had more than €200,000 of publicly funded support, you cannot support them through de minimis in your ESF contract but you can deliver ESF provision using [Training Aid](#). The enterprise must make a contribution to the cost of the training. You must agree the right contribution with the enterprise and get a signed declaration from the employer before you start delivery under an ESF contract.

### **Audit**

295. If you are chosen as part of an ESF audit sample – for either ESF or match provision – you must supply all the evidence to support ESF or match activity that external ESF auditors want to see. If you are chosen for an audit visit, you must allow external ESF auditors into your premises and co-operate with the audit in a professional way.

### **European Structural and Investment Funds for 2014 to 2020**

296. Local Enterprise Partnerships (LEPs) will decide how to invest the European Structural and Investment Funds (ESIF) for 2014 to 2020. We will support them to deliver their ESIF strategies. We will deliver a service to procure, manage contracts for, and match funding for provision that meets the local needs identified by each LEP.
297. We do not yet have the ESF Managing Authority's operational guidance for the ESIF programme. As soon as we know how the guidance affects you, we will update these Funding Rules for the ESIF programme.



## **Evidence required**

As well as the Learning Agreement we will require evidence of the following.

See paragraph 232 - Evidence of an assessment that the participant is both living legally in the UK and able to take paid employment in a EU Member State, plus confirmation by the participant that the information supplied and recorded is correct and accurate.

Paragraph 233 - Evidence of an assessment that the participant coming to the UK with a valid work permit is eligible, plus confirmation by the participant that the information supplied and recorded is correct and accurate.

Paragraph 236 - Evidence of an assessment that the participant is ordinarily resident in England and meets the geographical eligibility for the ESF contract, plus confirmation by the participant that the information supplied and recorded is correct and accurate.

Paragraph 240 - Evidence of an assessment of the participant's employment status, plus confirmation by the participant that the information supplied and recorded is correct and accurate.

Paragraph 242 – Evidence of an assessment showing that the participant is of an eligible age for the ESF contract plus confirmation from the participant that the information in the assessment is correct and accurate.

Paragraph 246 to 248 – Evidence to prove you have achieved your project outputs and outcomes (planned targets) against the main funding milestones and elements, as shown in the ESF contract delivery annexes.

Paragraph 250 - Evidence to prove you have achieved your project outputs and outcomes (planned targets) against the main funding milestones and elements, as shown in the ESF contract delivery annexes.

Paragraph 253– A signed declaration at the end of the contract term that states the arrangements in place to store and retrieve all documents needed to check the ESF provision delivered by you and your subcontractors until at least 31 December 2022.

Paragraph 254 - Complete and correct ILR data and delivery statements sent to us within three months of the end of the project.

Paragraph 256 - A standard project closure report citing project records, narrative reports, general knowledge and experience of delivering the project. A separate participant data statistics report based on data gathered from participant records.

Paragraph 257 - You must refer to your funding agreement for specific conditions.

Paragraph 273 - Copies of documents describing, recording or publicising ESF projects which display the ESF logo and a statement that the project activity is part-financed by the European Social Fund.

Paragraph 274 - ESF plaques must be visible to all staff and participants in a prominent place within your premises.

Paragraph 275 - Evidence that you have produced and published a communications plan and publicity materials that keep to ESF publicity and logo requirements.

Paragraph 276 - Correspondence with us about all planned and actual publicity activity at monitoring meetings.

Paragraph 277 - Project evaluation reports and supporting documents including updates to ESF communication plans.

Paragraph 279 - Evidence that you have consulted both the ESF Gender Equality and Equal Opportunities Mainstreaming Plan (from the ESF in England website) and our Single Equality Scheme when actively promoting equal opportunities.

Paragraph 280 - Your equal opportunities policy produced using the equal opportunities policy evaluation toolkit from the [ESF in England](#) website.

Paragraph 281 - Evidence to show how you have documented, reviewed and improved your equal opportunities policy and the monitoring of delivery arrangements by our Central Delivery Service.

Paragraph 282 - Your sustainable development policy produced using the sustainable development policy evaluation toolkit from the [ESF in England](#) website.

Paragraph 286 - Your completed health performance management framework and action plan, produced using the guidance from the Greater London Authority's website. This applies if you are delivering provision within the London Co-financing Plan Region only.

Paragraph 289 - Project evaluation reports and supporting documents.

Paragraph 292 - You must be able to prove that you have regularly checked your financial support from public sources, if your employees are potential participants under an ESF contract. You must get a completed de minimis declaration form from affected enterprises each financial year, to make sure each enterprise does not break the €200,000 limit. You can get template forms from our Central Delivery Service. You must send these declarations to us if we ask you to.

Paragraph 294 - Where training aid is applied, you must get a completed ESF training aid declaration form from each affected enterprise (this is different and separate from the declaration.) Declarations from enterprises must show the training activity carried out, the agreed participant outcomes and the intended training dates. You can get template forms from our Central Delivery Service. You must send these declarations to us once a year, when we ask you to.

## Community Learning

Community Learning is designed to help people of different ages and backgrounds gain a new skill, re-connect with learning, pursue an interest, prepare for progression to formal courses or learn how to support their children better. There is no requirement for learners to progress to other learning or achieve regulated qualifications.

Community Learning supports wider government policies on localism, social justice, stronger families, digital inclusion and social mobility.

We will continue to offer a contribution to the overall cost of delivering Community Learning and providers will be expected to add value to this public contribution by attracting extra income and cutting costs.

Community Learning will continue to focus on turning around the lives of local people and maximising the effect this funding has on the social and economic well-being of individuals, families and communities. All Community Learning providers must develop their plans in line with the Community Learning objectives.

### Meeting Community Learning objectives

298. You must have in place a strategy that can demonstrate how, in your geographical area, you have identified and will deliver a relevant balance of the objectives set out in '[New Challenges, New Chances](#)'. Within your strategy you must:
- 298.1. provide evidence of how you will work in strong local partnerships to make sure your identified objectives are underpinned by working with and consulting communities, local authorities, Local Enterprise Partnerships and other relevant local stakeholders;
  - 298.2. have clear outcomes and appropriate measures capable of being evaluated by your community and local stakeholders;
  - 298.3. develop and put in place a robust financial strategy that adds to your Community Learning allocation; and
  - 298.4. make sure that all adult learners funded through our financial contribution meet the eligibility criteria set out at paragraphs 1 to 6 in Annex 1.

## **Assessment**

299. You must ensure that, where appropriate, learners have access to initial assessment tools or processes, and have signposting to:
- 299.1. appropriate provision, if their assessment reveals a basic skills need; or
  - 299.2. appropriate and recognised accreditation for those who want it.

## **Provision**

300. We recognise that for some people, having access to regulated provision (within a wider Community Learning offer) is important to help them gain skills. If you want to deliver regulated provision you must:
- 300.1. make sure it is part of your agreed Community Learning Strategy;
  - 300.2. use this flexibility to fund provision that you could not deliver through the Adult Skills Budget (for example, using English, maths or ESOL in a family learning setting where parents and children are learning together); and
  - 300.3. use this flexibility to fund provision that you could not deliver through a 24+ Advanced Learning Loan (as explained in paragraph 357).
301. During 2014/2015 we will continue to monitor enrolments for regulated provision, including English, maths, ESOL learning aims, and learning aims at levels 3 and 4 for those aged 24 and over. This is to make sure there is no significant increase in the volume of activity (or displacement of Adult Skills Budget or Loan funds) compared with delivery in 2013/2014.

## **Data and Claim Returns**

302. You must return:
- 302.1. accurate ILR data against the four programme elements (see note 14); and

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Note 14: ILR data will still be configured against the four programme elements so that we can monitor and report on take-up and delivery. The four programme elements are Personal and Community Development Learning (PCDL), Neighbourhood Learning in Deprived Communities (NLDC), Wider Family Learning (WFL) and Family English, Maths and Language (FEML).

- 302.2. accurate ILR data, in line with the ILR return timetable.
303. All providers receiving Community Learning funding must send us a funding claim showing how they have spent their Community Learning funding. (This will be available on [the GOV.UK website.](#))
304. You must collect information (through the Supplementary Learner Record A) for child learners, and return the form to [familyprogrammes@sfa.bis.gov.uk](mailto:familyprogrammes@sfa.bis.gov.uk).
305. If you cannot return Neighbourhood Learning in Deprived Communities (NLDC) information through the ILR, you must email the [NLDC form to nldc.returns@sfa.bis.gov.uk](#).

### **Evidence required**

As well as the Learning Agreement we will require evidence of the following.

Paragraph 303 – A filled-in Funding Claim for Community Learning for 2013/2014.

Paragraph 304 – A filled-in Supplementary Learner Record A, giving the number of the child learners involved in family learning programmes in 2013/2014.

Paragraph 305 – A filled-in NLDC form (if you are not returning this in the ILR).

## Offenders' Learning and Skills Service (OLASS)

We hold a budget for OLASS funding in England. The focus for this funding includes:

- a detailed assessment of functional English and maths for all offenders;
- a greater focus on developing skills and routes to employment, especially in the 12 months before prisoners are released;
- putting prisons in groups, with a designated lead governor co-ordinating activity; and
- a greater role for lead governors in planning the curriculum to meet local needs, based on an understanding of the job market offenders are released into.

306. Unless this section states otherwise, OLASS funding follows the same principles, rules and evidence requirements as those set out throughout the rest of this document.

307. If other factors apply, due to the nature of OLASS, we have set these out in this section. If you have specific questions, you should contact our Central Delivery Service.

### Eligibility for funding

OLASS funding applies to adults (18 and over) in custody, including prisoners on remand.

308. Learner eligibility rules on ordinary residence do not apply to OLASS funding. (For a definition of ordinarily resident, see Annex 1).

309. Providers delivering OLASS-funded programmes in English prisons may treat all prisoners as individuals eligible for our funding.

310. This concession only applies to OLASS-funded learning in adult prisons. It does not apply to individuals serving community sentences, prisoners accessing Adult Skills Budget-funded provision while released on temporary licence, those under supervision in the community or those held in immigration detention centres or immigration removal centres. The usual eligibility rules apply in each of these cases.

311. Learners aged 18 to 23 are eligible for full funding through the OLASS programme for all learning aims up to and including level 3, including Awards and units (where they are approved for funding).
312. Learners aged 24 or over are eligible for full funding through the OLASS programme for all learning aims up to and including level 2, including Awards and units (where they are approved for funding).
313. Offenders in prison who are aged 24 or over at the start of learning and studying certain types of learning aims will not be eligible for funding through OLASS, but may apply for a 24+ Advanced Learning Loan (Loan).
314. Details of Loans for offenders in prison can be found in the 24+ Advanced Learning Loans section of this document.
315. In exceptional circumstances, some individuals may be below the age of 18 when they enter an adult prison. If this is the case, you must discuss the particular circumstances with our Central Delivery Service.
316. Eligible learning aims will be flagged as eligible OLASS provision in LARS separately from the Adult Skills Budget.

### **Individualised Learner Record**

317. You will report data back to us through the ILR. You must keep your records up to date. OLASS-funded learning aims must be reported using code LDM034 in the 'Learning Delivery Funding and Monitoring' fields.

### **Priority learning aims**

Providers must make sure that learners are enrolled on learning aims that are appropriate to their needs. For example, before enrolling on English and maths provision learners should have demonstrated that they need this provision and this assessment should be recorded in their Learning Agreement.

Lead governors and partner organisations will match the learning and skills offer for learners in custody with the local, regional or national employment priorities for the areas each cluster (group) of prisons releases offenders to.

318. By September 2014 you must provide a delivery plan at prison level which sets out how you will deliver the core curriculum planned by the lead governor. The plan is likely to be made up from four elements:



- 318.1. initial assessment of English and maths;
- 318.2. English and maths and ESOL;
- 318.3. vocational qualifications, including information and communications technology (ICT); and
- 318.4. employability skills (these may include a wide range of team working, personal, social and other skills).

### **English and maths and ESOL**

English, maths and ESOL provision forms part of the core offer and are likely to be required in every prison. Increasingly, this will require intensive learning, including online learning.

- 319. The OLASS provider must undertake a thorough initial assessment to determine the level of English and maths each prisoner is currently working at (see paragraphs 84 to 88).

### **Vocational training**

- 320. Providers must work with the lead governor in each cluster and with the wider partnership, for example Jobcentre Plus, Work Programme providers, offender managers, probation trusts (see note 15) and local employers in the areas to which prisoners will be resettled. The aim is to identify and develop opportunities for learning and skills that meet local, regional or national employment priorities in these resettlement areas.

### **Other qualifications**

- 321. Some prisons require offenders to have accredited prior learning (for example, food hygiene or health and safety certification) before they can work in kitchens and other prison industries. If this learning and the work experience in the prison will help the learner gain employment when they leave prison, the prior learning can be funded through OLASS. If these learning aims are listed on LARS they should be used. If these learning aims are not listed on LARS, they can be delivered through personal and social development (PSD) (see the next section).

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Note 15: Arrangements for managing offenders 'through the gate' and in the community are being significantly changed to reflect the Government's '[Transforming Rehabilitation](#)' plans.

## **Learning for personal and social development (PSD)**

322. Wherever possible, the OLASS learning must be for regulated qualifications or units. Regulated qualifications and units do not count towards PSD spend.
323. For the purposes of OLASS, PSD activity counts as unregulated provision. The learner's Learning Agreement should set out how their learning experience and the skills they gain will help to increase their confidence and self-esteem, and how the skills they gain will contribute to further learning and make them more employable.
324. There is no separate funding allocation for PSD activity in 2014/2015. We will continue to monitor levels of PSD delivery and, as in previous years, we do not expect the value of PSD activity to increase between 2013/2014 and 2014/2015. This requirement will be monitored by the lead governor of each group of prisons as the needs of individual prisons will vary. Whether or not to use funding for PSD delivery must be discussed between the appropriate lead governors and providers at each group of prisons.
325. You must use any informal PSD learning you provide to encourage progression to further learning and employment. You do this by having appropriate systems in place to refer learners to further learning as appropriate. Prisons must monitor how PSD is used to support learner progression.
326. The funding system allows providers to identify, record and allocate a value for appropriate PSD activity. By using appropriate learning-aim references, providers can identify the scale and differences between PSD activity provided to the prison.
327. The funding rates to be used for PSD activity for 2014/2015 are the same as our Adult Skills Budget funding rates for non-regulated provision.

## **Supporting learners in custody who are carrying out higher education or other separately funded distance learning**

328. OLASS providers must support learners who want to study with the Open University and other institutions that provide courses on a distance-learning basis. You must meet this obligation, and co-operate with the prison and other partners to make sure you do. We will continue to monitor this closely. You can find more information in the relevant Prison Service Instruction (PSI).
329. You must make sure that appropriate staff from your organisation are available to give learners the time, resources and support they need for

their studies. This includes adequate access to appropriate ICT facilities in order for the learner to take part in learning.

330. The support you must provide does not include tutorial input, but should include general mentoring and guidance.

### **Supporting learners who are providing mentoring**

331. There are roles for adult learners in custody acting as mentors, including 'peer to peer' teaching to improve outcomes. Providers must make sure that this activity is accredited through regulated qualifications, so that it can be used as a factor on the route to employment.

### **Continuing learning after leaving custody**

332. If a learner does not complete their learning aim while in custody, we expect you to put arrangements in place to provide support after they leave prison, and make sure they are fully funded through the Adult Skills Budget. You and the lead governor need to carefully consider a prospective learner's sentence length, the time they are likely to need to complete a course, and their eligibility for provision funded from the Adult Skills Budget when they leave prison. Local partnership arrangements should make sure that learning started in custody can be supported by suitable equivalent provision 'outside'. Learners will use the credit they have built up in custody towards the full qualification.

## **Apprenticeships**

The Review of Offender Learning (Making Prisons Work: Skills for Rehabilitation, published in May 2011) aims to “increase the scope for prisoners to prepare for and take up Apprenticeship opportunities”.

There are currently two broad options to support providers delivering Apprenticeship-related activity to offenders in custody:

- a unit based curriculum that supports learners in preparing for taking up an Apprenticeship; and
- Apprenticeships for those released on temporary licence into paid employment.

333. Currently it is not possible for offenders to undertake a nationally recognised Apprenticeship while serving their sentence in closed prisons due to the requirement of the Apprenticeships, Skills, Children and Learning Act 2009.
334. However, offenders released on temporary licence (ROTL) into paid employment can take part in an Apprenticeship, supported by the Adult Skills Budget.
335. Where an offender is approaching the end of their period in custody, and the prison authorities, the National Careers Service and the offender have agreed that an Apprenticeship is a realistic option, the offender must be able to get access to the appropriate curriculum units or, for eligible offenders released on temporary licence, an Apprenticeship.

## **Traineeships**

336. Offenders can do the training element of a Traineeship in custody, and do the work placement while released on temporary licence (ROTL). In these circumstances, the provider will need to have been judged 'Outstanding' or 'Good' by Ofsted and the prison's overall Learning and Skills provision must have been judged to be 'Outstanding' or 'Good' following an Ofsted inspection as part of an inspection of the prison by Her Majesty's Inspectorate of Prisons. The Traineeship must be funded by the Adult Skills Budget. Normal Traineeship sub-contracting rules apply.

## **Job outcome payments**

337. Job outcome payments are not available for learning provided through OLASS funding.

## **Evidence required**

As well as the Learning Agreement we will require evidence of the following.

Paragraph 318 – Your agreed Delivery Plan at prison level.

## Discretionary Learner Support (DLS)

Discretionary Learner Support (DLS) is provided to support learners with a specific financial hardship that prevents them from taking part in learning. Before making an award, you must identify the learner's needs within the following 'schemes'.

- Hardship for those aged 19+
- Childcare for those aged 20+
- Residential for those aged 19+

DLS is allocated to the three separate schemes above, but you can transfer funding between each.

Learners who are eligible for support are not automatically entitled to it.

### Administration

338. You can use up to 5% of your DLS allocation towards administrative costs. However, you must not set your bank charges against your DLS allocation.
339. DLS is provided by the Department for Business, Innovation and Skills. The 16-19 Bursary Fund is provided by the Department for Education, and therefore there must be no transfer of funds between the 16-19 Bursary Fund and the 19+ Discretionary Learner Support Fund.
340. Grant-funded providers can move funds between their DLS and Loans Bursary funding allocation without any limitation.
341. You must:
- 341.1. record and report on spending for each of the three schemes and your administration costs;
  - 341.2. have in place criteria for how you will administer and distribute your funds which must clearly reflect the principles of equality and diversity and be available to learners and us, if they or we ask;
  - 341.3. make sure that learners meet the learner eligibility criteria in Annex 1;
  - 341.4. assess and record the learner's needs;

- 341.5. report the appropriate Learner Support Reason (LSR) codes in the 'Learner Funding and Monitoring' fields in the ILR (not doing this properly will affect future DLS allocations);
  - 341.6. complete a mid-year funding forecast in February;
  - 341.7. complete a final claim in October; and
  - 341.8. understand that we will recover any unspent funds and that payment for any provision above your allocation will be at our discretion. This may affect future allocation of DLS funds.
342. You must not use DLS as a means of support if the following apply.
- 342.1. The learner is fully funded by us and essential equipment and facilities have already been included in our funding rate so they can complete their learning aim (see paragraph 55).
  - 342.2. The learner is eligible but it is more appropriate for them to receive support through Learning Support for the same purpose
  - 342.3. The learner is already receiving help with travel or childcare costs from Jobcentre Plus or a Work Programme provider in connection with pre-employment training. When you are making decisions about awarding public funds, you must take into account the availability of other financial support for learners. You must make it clear to learners that it is their responsibility to tell the Department for Work and Pensions about any DLS support that they are receiving from you, as DLS payments may affect their eligibility to some benefits.
  - 342.4. The learner is in prison or a young offender institution, or has been released on temporary licence (RoTL), for example, on day release
  - 342.5. The learner is carrying out Community Learning, a higher education course, waged Apprenticeship or provision with learning aims that are identified as fully funded from other sources
  - 342.6. The learner is receiving an income and does not have a financial need. You may attach attendance criteria to learner payments but you must not use the funding to pay weekly attendance allowances or achievement and attendance bonuses.
343. Fully funded learners can get DLS for childcare, transport and residential costs.

344. Learners taking part in HE access courses will be able to apply for DLS funding as long as the learning aims are funded through the Adult Skills Budget.

### **Hardship**

Hardship funding is provided to support vulnerable and disadvantaged learners and to remove barriers to education or training.

345. Types of support include the following. However, you can support learners based on learner needs and local circumstances.
- 345.1. Course-related costs including course trips, books and equipment, support with domestic emergencies and emergency accommodation
  - 345.2. Learner transport costs (However, you must not use the fund to make a block contribution to post-16 transport partnerships or routinely fund transport costs that are covered in the local authority's statutory duty for learners of sixth-form age.)
  - 345.3. Examination fees
  - 345.4. Accreditation fees, professional membership fees and any fees or charges due to external bodies
  - 345.5. Your registration fees
  - 345.6. Support provided by others, or by providing items or services or cash direct to the learner. This can be in the form of a grant or repayable loan
346. If an asylum seeker is eligible for provision you may provide learner support in the form of course-related books, equipment or a travel pass. Under no circumstances should you give an asylum seeker learner support in the form of cash.

### **20+ Childcare**

20+ Childcare funding is provided to support learners who are at risk of not starting learning, or not continuing learning, as a result of difficulty getting childcare.



347. You can only use childcare funding to pay for childcare with a childminder, provider or Childminder Agency who is registered with Ofsted.

348. Childcare funding must not be used:

348.1. to fund informal childcare, such as that provided by a relative;

348.2. by you to set up childcare places or to make a financial contribution to the costs of a crèche; or

348.3. for 19-year-old learners. Instead you should direct them to EFA Care to Learn Programme. DLS must not be used to top up childcare payments for those receiving 'care to learn'.

## **Residential**

Residential funding is provided to support learners receiving specialist learning provision which involves a residential element, or to support learners who cannot receive provision locally. The fund can help learners live in private accommodation or in accommodation you own or manage.

349. You must:

349.1. set out clearly the criteria and procedures for considering and agreeing applications for support from your Residential Access funds;

349.2. make payments to, and on behalf of, learners (the most you can pay each funding year is £4,079 within London and £3,458 outside London); and

349.3. pay for travel costs in exceptional circumstances only. You must give priority to learners who need accommodation.

## Learner Support in Apprenticeships

If there is genuine hardship which could be an obstacle to the learner's Apprenticeship then you can claim Learner Support to help them complete and achieve the Apprenticeship. You should use the general principles of Discretionary Learner Support but the following rules relate specifically to apprentices.

350. We expect employers to support apprentices with most additional expenses. However, there may be times when you need to support an apprentice in genuine need (for example, in the case of redundancy).
351. Our Central Delivery Service can tell you the types of support you can offer apprentices.
352. You must claim for this support from your Adult Skills Budget through the Earnings Adjustment Statement. You must claim all learner support costs during the funding year in which they arose. We will not pay claims to you from a previous funding year if you did not claim in time.

### **Learner Support for 19- to 24-year-old learners on Traineeships, where a provider does not have a DLS allocation**

If you do not have an allocation of DLS, you can claim Learner Support for 19- to 24-year-old learners on Traineeships out of the Adult Skills Budget through the Earnings Adjustment Statement (EAS).

The principles of Discretionary Learner Support must be applied, including taking account of the availability of other financial support for learners, such as:

- help with travel or childcare costs from Jobcentre Plus or a Work Programme provider in connection with pre-employment training;
- local arrangements that are in place to support unemployed individuals (such as subsidised travel); and
- support from employers providing work placements.

Providers with a DLS allocation must not claim Learner Support for 19- to 24-year-old learners on Traineeships through the Earnings Adjustment Statement. These providers should refer to the general rules on DLS in paragraphs 338 to 349.

353. Reasonable expenses can be met in full if the expenses are necessary to overcome barriers to learning activity. You can use Learner Support

funding claimed from the Adult Skills Budget for learners on a Traineeship to support the work placement element of the Traineeship.

354. Learner Support for Traineeships will be funded from your existing Adult Skills Budget allocation and should be managed appropriately within the existing Adult Skills Budget. The use of Learner Support for Traineeships will not be considered a justifiable case in its own right for increasing your Adult Skills Budget allocation. We will monitor the level of learner support you claim through EAS for 19- to 24-year-old learners on Traineeships in relation to the size of your 19-24 Traineeship programme and your overall Adult Skills Budget allocation.
355. You can claim the costs of expenses for learners on a Traineeship that we fund. You must claim all costs during the funding year in which they are spent. We will not refund claims which you paid to learners on a Traineeship in previous funding years.
356. You must get advice from us if you are in any doubt about whether you can claim for certain types of expenses. For example, we will not pay for the costs of learners' meals.

## **Evidence required**

As well as the Learning Agreement we will require evidence of the following.

Paragraph 341.4 – Evidence of an assessment for each learner or apprentice, demonstrating hardship and the need for support.

Paragraph 341.4 – For each 19- to 24-year-old learner on a Traineeship, evidence of an assessment demonstrating hardship, the need for support, a breakdown of what the funding has been used for and that funding has been paid to the learner.

Paragraph 341.6 – The mid-year funding forecast.

Paragraph 341.7 – The final claim form.

## **24+ Advanced Learning Loans**

In 'New Challenges, New Chances' it was confirmed that the Government would introduce 24+ Advanced Learning Loans (Loans) from 2013/2014. The reasoning for this is to help people aged 24 or over carry out level 3 or 4 further education (FE) learning aims and get access to the funds they need to gain intermediate and higher-level skills.

357. Since 2013/2014, for learners aged 24 or over when they start their learning, our funding for provision at level 3 and 4 has ended and been replaced with Loans. This does not apply to:

357.1. advanced-level or higher Apprenticeships;

357.2. trade union representatives studying Trade Union Congress learning aims; or

357.3. ex-military personnel. In this case, we have an agreement with the Ministry of Defence (MoD) to fund ex-military personnel for their first full level-3 qualification. (You can find the full definition of ex-military personnel in Annex 1 paragraph 46.)

358. You can only deliver provision funded by Loans if we have given you a Loans facility.

### **Qualifications funded through Loans**

359. Loans can be used to fund the following types of publicly funded provision.

359.1. AS, A2 and full A-levels (up to a maximum of four)

359.2. Quality Assurance Agency (QAA) Access to HE Diplomas

359.3. Certificates at levels 3 and 4

359.4. Diplomas at levels 3 and 4

359.5. Technical (tech) levels

359.6. Early Years Educator learning aims

360. Loans cannot be used to fund units of qualifications or awards at level 3 and above, or learning delivered through the innovation code.

361. As learners will apply for Loans before their proposed start dates, the situation may arise where a learning aim becomes unavailable for public funding before a learner starts their learning. In the majority of cases there will be alternative learning aims available. If you identify a new learning aim which is the same type and level as the original aim (for example, a change from one level 3 Certificate to another level 3 Certificate) you must tell the SLC through the Learning Provider Portal (see paragraphs 386 to 389). If no similar provision exists you must discuss alternative options, including funding options, with the learner.

### **Number of Loans**

362. Learners are entitled to up to four Loans, for four learning aims, where each Loan is for a different category of provision as listed in paragraph 359. For the purposes of Loan entitlement, tech levels and Early Years Educator learning aims will be treated as level-3 certificates or diplomas, according to the size of the qualification.

363. Learners will take out a Loan for a single learning aim.

364. In the case of AS/A2/A-levels, the learner will make a Loan application for each separate AS/A2/A-level, up to a maximum of four. These applications can be made at the same time or one after the other. A learner can still apply for three more Loans for learning aims that are not AS/A2/A-levels, as long as the provision is taken at different times, as set out within paragraph 368.

365. The ability to get up to four Loans allows for progression. However, a learner does not have to progress.

366. A learner cannot get a Loan for a learning aim when they have previously completed that type of learning aim, at the same level, through funding from a Loan. The only exception to this is where a learner progresses from a Subsidiary Diploma through to an Extended Diploma at the same level. In this situation, the progression is considered as a single Loan, and the Loan amount is amended through the Change of Circumstance process (see paragraphs 386 to 400 for more information). This change must be reported while the learner is still in learning and you must produce another 'learning and funding information letter' (see paragraph 377 for more information). The payment profile cannot be changed after three months of the initial Loan and so any extra payments after that may be paid to you as a lump sum. You should consider the consequences to the learner and explain this clearly ahead of any change.

367. You should note:

367.1. learners will begin to accrue interest on the full lump sum paid earlier; and

- 367.2. if the learner withdraws early you must reduce the learner's liability for the Loan to reflect the learning they have received.
368. If at any one time, a learner is taking more than one learning aim which is eligible for a Loan, the learner is eligible for only one Loan. The learner would need to get other funding for the other learning aim which is eligible for a Loan. The only exception to this is a programme of up to four AS/A2/A-Levels see paragraph 364 above.
369. A learner may pay for their other learning aims, or if the learning aims are up to level 2, they may be eligible for funding from us in line with our funding rules 2014/2015.
370. Every learner who has previously withdrawn from a learning aim will be given one more chance to access a repeat Loan, taking the potential maximum number of Loans up to five. This repeat Loan can only be for the same learning aim or the same type of learning aim at the same level that the learner previously withdrew from.

### **Deciding whether learners are eligible for a Loan**

371. Loans will be non-means-tested and will be available to eligible learners aged 24 and over when they start their learning, studying in England for learning aims we approve at a provider we approve in England. Offenders must also:
- 371.1. have the right to stay in the UK after completing their sentence;
  - 371.2. not be subject to a deportation order;
  - 371.3. have been sentenced and not be on remand;
  - 371.4. have their prison governor's approval to study the learning aim the Loan will fund;
  - 371.5. be studying their learning aim with a provider in England who has a Loans facility from us; and
  - 371.6. be within six years of their release date.
372. The Student Loans Company will be responsible for assessing whether a learner is eligible. This means that the assessment of eligibility will not be required in the Learning Agreement.
373. If a learner is 23 at the start of a level 3 or 4 learning aim and turns 24 during their learning, they will continue to be funded by us for the duration of the learning aim. You must make sure that learners aged 24

and over are not given the opportunity to apply for a Loan to meet the fees associated with continuing any co-funded learning aims.

### **Loan amounts and financial contributions**

374. A learner will only be eligible to receive a Loan that is either equal to, or less than:

374.1. the funding rate in LARS; or

374.2. your fee, as shown in your 'learning and funding information letter' (see paragraph 377 for further details);  
whichever is lower.

The minimum Loan value is £300.

375. The Loan can cover all costs and charges for items which a learner cannot complete their course without.

376. We do not expect that you would need to charge more than the maximum Loan amount.

### **Information needed**

The SLC will be responsible for deciding whether a learner is eligible for a Loan and for making Loan payments to you on behalf of learners. If you are delivering provision funded by Loans, SLC will give you access to their [learning provider portal](#) (an interactive web-based service that will act as the main channel of communication between you and the SLC, which will be the method they use to confirm learner attendance and release Loan payments).

377. If the learner decides to apply for a Loan, you must give them information in the 'learning and funding information letter' to help them make their application. This letter is vital in the application process, as otherwise the learner will not have the relevant information to fill in either the paper or online Loan application. The letter must include:

377.1. the UK provider reference number (UKPRN);

377.2. the learning aim reference number;

377.3. the title of the learning aim;

377.4. the learning aim start date and planned end date;

377.5. the fee charged to the learner; and

- 377.6. the maximum amount of Loan available for the learning aim as published on LARS.
378. Offenders will make Loan applications on the standard paper-based Loan application form, which you can download from the [GOV.UK website](#). The application must be accompanied by an SLC 'Prisoner Application Proforma' (see note 16) or a letter from the prison governor (or their representative) to confirm the information such as the offender's release date and their permission for the offender to study. If the offender does not have the required evidence of their identity (such as a passport or birth certificate), the proforma or the governor's letter must also confirm the offender's identity.
379. You will be able to see the status of the learner's Loan application using the learning provider portal which is delivered by the SLC.
380. Once the learner's Loan application has been approved and the learner has started the learning aim you must confirm this to the SLC through the learning provider portal.
381. You can only confirm that the learner has started once the learner has been attending for at least two weeks. This is referred to as the 'initial liability point' and will either be:
- 381.1. two weeks from the learning aim's start date, as shown on the Loan application form; or
  - 381.2. two weeks after the learner started their studies, if they started at a later date than the one given on the Loan application form. (In this situation you must tell SLC about the change to the start date through the learning provider portal. Please refer to SLC's [Learning Provider Portal User Guide](#).)
382. You must accurately record the learner's unique learner number (ULN) before you can confirm their attendance.
383. You must fill in an ILR for Loans-funded learners, and make sure that it matches the information you have filled in on the learning provider portal. Loans are reported in the ILR as follows.
- 383.1. code 99 in the 'Funding model' fields
  - 383.2. 24+ Advanced Learning Loan indicator, code ADL1 (and Loans Bursary if applicable) in the 'Learning Delivery Funding and Monitoring' field.

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Note 16: You can get a copy of the proforma from the Head of Learning, Skills and Employment within the prison.



384. You must return confirmation of attendance to the SLC every three months through the learning provider portal.
385. You must confirm to the SLC if a learner does not attend. This can be either when a learner leaves their learning aim before the initial liability point, or if a learner has never attended.

### **If the learner's circumstances change**

386. There will be times where a learner's details or circumstances may change.
387. All guidance for learners must emphasise the importance of telling the SLC about a change as this will reduce, as far as possible, the risk of a learner becoming legally responsible for a Loan for a learning aim they are no longer studying.
- 387.1. Detailed information and guidance for the provider is on the [Learning Provider Services website](#).
  - 387.2. Learners can get information and guidance from the [National Careers Service website](#), [GOV.UK](#) and impartial money advice from the [Money Advice Service](#).
388. The following reasons may result in a learner's details or circumstances changing from the original information supplied in their initial application. In all cases the learner must tell the SLC when there has been a change.
- 388.1. A change in personal details
  - 388.2. A change in provider
  - 388.3. A change of learning aim, including where a learning aim is no longer available for public funding for new starts, as stated in paragraph 361
  - 388.4. A change of Loan amount or the fee you charge
  - 388.5. Cancellation of an application
  - 388.6. Withdrawal from the learning aim
  - 388.7. Taking a break from learning or suspending or resuming learning
389. If the details or fees of the learning aim change you must produce another 'learning and funding information letter'.

390. If a learner changes provider during the learning aim they must tell the SLC and be marked as a withdrawal with you. The learner will then need to reapply to the SLC for a Loan to continue their studies at the new provider.

### **If the learner's circumstances change - Offenders**

391. The OLASS provider must tell the SLC when an offender's circumstances change (for example, if they are released from prison, transfer to another prison or change or withdraw from their learning aim).

392. When the prison governor decides that an offender's eligibility for a Loan has changed (for example, if a further conviction makes the learning aim inappropriate), or the offender's release date is extended to beyond the maximum time period, the offender must withdraw from their learning aim. In these circumstances the prison governor should tell the OLASS provider and the provider should then tell the SLC through the [Learning Provider Portal](#). The offender will still be liable for repaying Loan payments made before the withdrawal.

393. If an offender with a Loan transfers from an English prison to a prison in Wales, they must leave their Loans-funded learning aim, using the process for those with compelling personal reasons (that is, undeniable exceptional reasons). Before the transfer, the prison governor should tell the provider, who must then tell the SLC through the Learning Provider Portal. If there is a comparable learning aim available in the prison in Wales, the offender may be able to complete the remainder of the learning aim (education is free of charge in Wales). The offender will still be liable for repaying Loan payments made to the OLASS provider in England up to the point they leave their learning aim.

394. If an offender who has already started a Loans-eligible learning aim transfers from a prison in Wales (where provision is free) to an English prison, they will need to apply for a Loan if they want to continue their studies. In these circumstances, the OLASS provider should take account of the offender's prior learning when setting the fee for the learning aim the Loan will fund.

395. There are times when an offender will be transferred between prisons in England.

395.1. If the same OLASS provider operates in both prisons, the transfer will be treated as a 'Change to personal details' change of circumstance. The offender must tell the SLC about the change.

395.2. If the prisons have different OLASS providers, the transfer will be treated as a withdrawal from the learning aim, using the process for those with compelling personal reasons. The

OLASS provider must tell the SLC about the withdrawal through the Learning Provider Portal. If the OLASS provider in the prison the offender is transferred to can offer a comparable learning aim, the offender must make a new Loan application. The prison governor at the receiving prison will need to confirm the offender's eligibility for a Loan. The OLASS provider in the prison the offender is transferred to must take account of the offender's prior attainment when setting the fee for the rest of the course. In this situation, the two OLASS providers must work together to provide continuity of the offender's learning programme.

396. Guidance to prison governors advises them to avoid transferring offenders in Loan-funded learning where possible.
397. If a person undertaking an eligible learning aim financed through a Loan is sent to prison, they may be able to continue their studies while they are in custody. The person will have to meet the eligibility criteria for offenders as set out above, including the prison governor's confirmation that the learning aim is appropriate.
398. If an offender starts an eligible learning aim towards the end of their sentence, when they are released they should be able to continue their studies with an eligible provider who has a Loans facility from us. If this involves changing provider, the offender should withdraw from the learning aim, using the process for those with compelling personal reasons, and apply for another Loan with their new provider. The OLASS provider must tell the SLC about the withdrawal using the Learning Provider Portal. The new provider should take account of the learning the offender completed in custody when setting the fee for the rest of the learning aim.
399. An offender who has been released on temporary licence can apply to study a Loans-eligible qualification with a provider who has a Loans facility from us. The offender's Loan application should be made in the same way as those from offenders in custody and it must be accompanied by an SLC 'Prisoner Application Proforma' or a letter from the prison governor (or their representative) to confirm the information such as the offender's release date and their permission for the offender to study.
400. An offender who started a Loan-funded learning aim in custody and is released on temporary licence should be able to continue their studies with a provider with a Loans facility from us. If this involves a change of provider, the offender must withdraw from their Loan-funded learning aim in custody, using the process for those with compelling personal reasons, and apply for another Loan for their study with the new provider. The prison governor should tell the OLASS provider about the withdrawal, and the OLASS provider must then tell the SLC through the Learning Provider Portal.

## **Retrospective applications and changes**

401. A learner can apply for a Loan retrospectively (after the initial liability point but while still undertaking the learning aim). When a learner applies for a Loan retrospectively, and they have already paid fees to a provider, if the Loan application includes the period a fee had already been paid for, then the provider must refund the learner (in order to avoid double funding).
402. A learner or provider will be able to raise a Change of Circumstance retrospectively. This must be raised while the learner is undertaking their learning aim.
403. If a learner has a Loan for Access to HE Diploma courses written off, the provider payments will not be affected.

## **Reviewing provision**

404. We will review the volume of learning funded through Loans as part of our performance-management process.
405. For OLASS, the review process for each unit of procurement must incorporate a review of Loans-funded learners. In particular, where offenders have to transfer between prisons other than by choice, the review must take account of the effect the transfer has on the learning the Loan is funding and the offender's liability to repay the Loan.

## **Evidence required**

As well as the Learning Agreement, except for the assessment of eligibility, we will require evidence of the following.

Paragraph 377 - A completed 'learning and funding information letter' for each learner.

## 24+ Advanced Learning Loans Bursary Fund

The Loans Bursary Fund is provided to help vulnerable and disadvantaged learners who are being funded through a Loan such as those with learning difficulties or disabilities, parents who need help with childcare, and ex-military personnel.

The fund will be distributed as decided by the provider and is not an entitlement.

Please note that the claiming and earnings methodology is different for grant-funded providers and contract-funded providers.

406. The Loans Bursary Fund will provide funding for the following.

- 406.1. Discretionary Learner Support (DLS) type activity for hardship, childcare and residential support.
- 406.2. Learning-support type activity for 'in learning' support, such as support for teaching assistants or necessary adjustments under the Equality Act. You must make sure that you keep sufficient funding for this purpose.
- 406.3. Providers' area costs, based on information in the ILR about where the learning takes place (as reported in the 'Delivery location postcode' field).
- 406.4. Learners in custody or released on temporary licence who get a Loan from the Student Loans Company. However, support must only be provided for learning-support activity (see paragraph 406.2).

### **Contract-funded providers**

407. You will earn Loans Bursary funding based on the information reported in the ILR.
408. You must claim the Loans Bursary using one of the three fixed rates shown below. These rates are shown in the 'Learning Delivery Funding and Monitoring' fields of the ILR and must be returned with the associated 'Date applies from' and 'Date applies to' fields. You can only claim one rate per learner per month, but the rate you use each month can change to reflect the needs of the learner being supported. The rate you claim must reflect the criteria below and the value of the support provided.

Rate 1 – low-cost learner support, not including childcare and residential

Rate 2 – learning support recognising that the learner could have learner support needs as well

Rate 3 – residential or childcare support recognising that the learner could have other learning support or learner support needs as well

409. We expect the total you earn from the monthly rate to be enough to cover your costs. If the cost of you providing support to a learner goes above the total earned from the fixed monthly rate, and you provide evidence of the excess, you will be able to claim this excess from your Loans Bursary Fund using the Earnings Adjustment Statement.
410. If a learner funded through a Loan attracts area cost uplift funding, this will be earned automatically based on information in the ILR about where the learning takes place (as reported in the 'Delivery location postcode' field).
411. You must refer to the Discretionary Learner Support funding rules (paragraphs 338 to 349) when providing learner support from your Loans Bursary Fund.

### **Grant-funded providers**

412. You will be paid in stages (that is, you will receive 'profile' payments) for your Loans Bursary Fund – 50% in August, 25% in January and 25% in April. You will be able to manage the Learner Support element of your Loans Bursary Fund in line with your DLS budget, as set out in paragraphs 338 to 349. If you do not have a Discretionary Learner Support allocation, you will need to fill in the funding claim form to show any learner support given to Loans-funded learners.
413. You can move funds between your DLS and Loans Bursary funding allocation without any limitation.
414. All learner support you provide must be recorded separately on the Discretionary Learner Support mid-year and final funding claims for learners funded through a Loan.
415. Learning support funding must be reported using rate 2 above in the 'Learning Delivery Funding and Monitoring' field of the ILR using code ALB2, with the corresponding 'Date applies from' and 'Date applies to' fields filled in. You must not use rates 1 or 3.
416. We expect the total you earn from the fixed monthly rate to be enough to cover your costs. If the cost of you providing learning support to a learner goes above the total you earned from the fixed monthly rate, and you

provide evidence of the excess, you will be able to claim this excess using the Earnings Adjustment Statement. If you report excess funding you must keep evidence of the total spending, not just the excess. The excess will be set against your Loans Bursary Fund.

417. If a learner funded through a Loan attracts area cost uplift funding, this will be reported automatically based on information in the ILR about where the learning takes place (as reported in the 'Delivery location postcode' field).
418. At the end of the year we will compare the amount of Loans Bursary and Discretionary Learner Support you have used to support learners funded through a Loan against your combined Loans Bursary Fund and Discretionary Learner Support funding allocations.

### **All providers**

419. You must do the following.
  - 419.1. Prioritise vulnerable groups and disadvantaged learners.
  - 419.2. Consider the most appropriate fund to draw from in circumstances where a learner is receiving funding from us as well as through a Loan.
  - 419.3. Use your Loans Bursary Fund only for learners who have had a Loan approved by the Student Loans Company, and who have an assessed need.
  - 419.4. Publish your methodology (including complaints procedures) for awarding the Learner Support element of your Loans Bursary Fund. Your criteria must clearly reflect equal opportunities and diversity and these criteria must be available to all learners and us if we ask.
  - 419.5. Carry out a robust assessment to identify the learning support the learner needs. Agree and record the outcome of your assessment in the Learning Agreement and keep evidence of the assessment of needs.
  - 419.6. Deliver support to meet the learner's identified needs, and review progress and continuing needs as appropriate.
420. You must refer to the Learning Support funding rules (see paragraphs 222 to 228) when providing learning support from your Loans Bursary Fund.

421. If learning support needs are more than £19,000 in a funding year (exceptional learning support), we may fund the costs over £19,000 through a separate central budget. You must do the following.
- 421.1. Get agreement from our Central Delivery Service for learners whose support costs will be more than £19,000 in a funding year, by completing the [Learning Support Costs form](#).
  - 421.2. Get further agreement if the learner's support needs change significantly during their learning.
  - 421.3. Claim payments for learners' exceptional learning support for 2013/2014 by 28 October 2014.
422. When you are making decisions about awarding Loans Bursary funding, you must take into account the availability of other financial support for learners. You must make it clear to learners that it is their responsibility to tell the Department for Work and Pensions about any DLS support that they are receiving from you as the DLS payment may affect their eligibility for some benefits.
423. You must not:
- 423.1. use Loans Bursary funding to pay learners' fees related to learning;
  - 423.2. use Loans Bursary funding to cover costs and charges for items without which a learner could not complete their course as these should be charged in the course fee;
  - 423.3. use the Loans Bursary Fund to support learners aged 16 to 18; or
  - 423.4. use Loans Bursary funding to pay for learner support for learners in custody or released on temporary licence.



## **Evidence required**

As well as the Learning Agreement we will require evidence of the following.

Paragraphs 409 and 416 – When you claim Loans Bursary funding over the fixed monthly rate you must keep evidence of total spending on the learner, and demonstrate why the cost of the support is greater than the total earned from the fixed monthly rate. You must keep evidence of why you have claimed the amount you have, which would be linked to the learner's assessment and planned Learning Support or Learner Support claim. You must only claim for your costs of delivering the support to the learner or to meet their Learner Support claim and not include any indirect costs or overheads.

Paragraph 419.4 – Copy of your methodology for awarding the Learner Support element of your Loans Bursary Fund.

Paragraph 419.5 - Evidence that the Learning Support element of your Loans Bursary Fund claim is backed up by an assessment, that there is a planned programme of support included in the Learning Agreement, and there is evidence of the planned programme for providing additional support included in the Learning Agreement.

Paragraph 421.1 – A copy of the agreement from our Central Delivery Service to fund exceptional learning support. This could be an email from our Central Delivery Service.

## Contracting and subcontracting

We will only fund organisations that have a current funding agreement. There are two ways an organisation can have a direct legal relationship with the Chief Executive of Skills Funding:

- as a single legal entity (college, private or public organisation), or
- with other legal entities (for example a consortium) on a joint and several basis (so that the contract can be enforced against all or one of the legal entities).

If you want to be considered for funding you must successfully complete the Due Diligence Assurance Gateway (known as the Gateway) and enter the Register of Training Organisations (known as the Register).

Arrangements are different for large employers funded to deliver training to their own employees. If you fall into this category, please contact the National Apprenticeship Service for advice.

424. If you want to be considered for a contract from the Chief Executive, and be invited to tender in the future for education and training services, you must enter the Register by successfully completing the Gateway. You can find details of this on the [GOV.UK](https://www.gov.uk) website.
425. Entry on the Register does not guarantee you will receive funding or a Loans facility. It does mean we will invite you to compete in the future tendering opportunities based on the type of delivery you chose in your Gateway online questionnaire. Delivery depends on demand and will be in line with the current Skills Funding Statement. (Delivery programmes may change depending on demand and the current Skills Funding Statement).
426. Large employers who receive direct grant funding from us need to be entered on the Register. For more information please contact your account manager.
427. Organisations that are not listed on the Register will not be invited to compete in our tenders and will not be considered for funding or a Loans facility until they enter the Register.
428. All lead providers and subcontractors must register on the UK Register of Learning Providers (UKRLP) and hold a valid UKPRN to be eligible to receive funding from us, either directly or through a subcontracting arrangement.
429. Only organisations that are financially robust and can evidence their track record of delivering provision to the required standard will enter the Register.

430. When returning information to us, organisations must make sure that their organisation name is the legal name of the organisation and exactly matches the organisation's name as it appears on UKRLP, their funding agreement, their Companies House information (including their company number if this applies), the e-tendering portal and all other supporting documents.
431. To continue to be listed on the Register you must successfully complete the Gateway and 'refresh' (our process of maintaining the Register) when asked to do so by us. If you fail, or do not apply at the refresh, you must apply at the next opening of the Gateway. During this period:
- 431.1. your organisation will not be listed on the Register;
  - 431.2. you will not be invited to tender; and
  - 431.3. you will not be able to increase your contract value through growth cases.
432. If, at the second opening, your organisation does not apply, or fails the Gateway, your funding arrangements will be reviewed.
433. The same refresh rules apply to subcontractors. We will suspend growth cases where the lead provider has included a subcontractor that has failed to refresh their information. This is because there is a risk that the delivery model is not working effectively and funds could be at risk. If the subcontractor fails the Due Diligence Assurance Gateway after their second opportunity to apply, the lead provider must end their subcontract.
434. If we find that you have given false information when completing the Gateway, we will remove you from the Register.
435. If you, or your organisation, are the subject of our Intervention Policy, we will not invite you to tender or consider you for growth. We may remove or suspend you from the Register and your funding arrangements will be reviewed.
436. If you want to transfer your contract to a new organisation, you must write to us asking our permission first. There is no automatic right of transfer and you can only transfer a contract to an organisation that is on the Register.

## Subcontracting

We recognise the benefits that effective subcontracting can bring in extending the range and accessibility of provision. However, we continue to see instances of ineffective subcontracting practice. These instances have created financial problems and damaged the sector's reputation. In some cases, providers have needed to make substantial repayments to us.

Problems have been particularly apparent where the subcontracted provision has been whole programmes, or where learning has taken place at a distance from the funded provider.

We do not want to restrict providers from entering into subcontracting arrangements if these are in the best interests of learners and employers. Instead, these subcontracting funding rules are focused on helping providers to effectively subcontract and monitor the provision they subcontract.

We can, at any time, assess your arrangements for subcontracting. We can also require you to commission an independent report on these arrangements from a third party, such as your external auditors.

Through the work of the External Advisory Group on Supply Chain Management, two documents – the Common Accord and the Supply Chain Management: a good practice guide for the post 16 sector – were produced to support providers in their supply chain management. We highly recommend that you routinely refer to these two documents during all stages of the subcontracting process. They can be found on the [website](#).

## Procurement

437. If you have not previously subcontracted provision we fund, you must get our approval in writing before awarding a contract to a subcontractor.
438. When appointing subcontractors you must take steps to avoid conflicts of interest, and must tell the Chief Executive, in writing, about any circumstances (for example, where you and your proposed subcontractor have common directors) which might give rise to an actual or perceived conflict of interest. You should not proceed to award the contract without the Chief Executive's permission in writing.
439. You must not use the Register of Training Organisations as a substitute for carrying out your own due diligence checks when appointing subcontractors.

440. You must not appoint any subcontractors with a contract value of £100,000 or above per funding year unless they are listed on the Register of Training Organisations first. This also applies if the subcontract from you would take the total value of contracts that the subcontractor holds to £100,000 or more. You must make sure that such subcontractors are listed on the Register of Training Organisations before entering into any arrangements for the funding year.
441. We expect you to make sure any subcontractor you appoint keeps to the Register of Training Organisations' requirements and that they receive all the necessary support from you.
442. If any of the following circumstances apply, you must **not** enter into new subcontracting arrangements or increase the value of your existing arrangements. These conditions will continue until we are satisfied that the situations have been put right.
- 442.1. If Ofsted has rated your leadership and management as inadequate
  - 442.2. If you do not meet our [Minimum Standards](#)
  - 442.3. If the outcome of your annual financial health assessment we carry out is inadequate

## **Contracting**

443. You remain ultimately responsible for all provision you have subcontracted.
444. You must make sure that learners and employers supported through subcontracting arrangements know about your and your subcontractor's roles and responsibilities in providing the learning.
445. You must have a legally binding contract with each subcontractor.
446. You must only award contracts for delivering funded provision to legal entities. If the legal entity is a registered company, it must be recorded as 'Active' on the Companies House database.
447. You must not award a contract to a legal entity if:
- 447.1. it has an above average risk warning from a credit agency;
  - 447.2. it has passed a resolution (or the court has made an order) to wind up or liquidate the company, or administrators have been appointed; or
  - 447.3. its statutory accounts are overdue.

## Terms that must be included in contracts with subcontractors

We need certain levels of assurance that education and training provided by subcontractors will keep to our funding rules.

You must make sure that the terms of your subcontracts allow you to:

- monitor the subcontractor's activity;
- have control over your subcontractors; and
- monitor the quality of education and training provided by subcontractors.

We do not provide a template for subcontracts, but you must make sure your subcontracts include the contents of this section. You should take your own legal advice on the wider terms and conditions of contracts you enter into with subcontractors.

448. Subcontractors must keep to our funding rules.
449. Subcontractors must provide ILR data so your data returns to us accurately reflect your subcontractors' delivery information.
450. Subcontractors must give us, and any other person nominated by us, access to their premises and all documents relating to providing education and training funded by us.
451. Subcontractors must give you sufficient evidence to allow you to:
  - 451.1. assess their performance against Ofsted's Common Inspection Framework;
  - 451.2. incorporate the evidence they provide into your self-assessment report; and
  - 451.3. guide the judgements and grades within your self-assessment report.
452. Subcontractors must always have suitably qualified staff available to provide the education and training we fund.
453. Subcontractors must co-operate with the lead provider to make sure that there is continuity of learning if the subcontract ends for any reason.
454. Subcontractors must tell you if evidence of any irregular financial or delivery activity arises. Irregular activity could include, but is not limited to:

- 454.1. non-delivery of training when funds have been paid;
  - 454.2. sanctions imposed on the subcontractor by an awarding organisation;
  - 454.3. an inadequate Ofsted grade;
  - 454.4. complaints or allegations by learners, people working for the subcontractor or other relevant parties; and
  - 454.5. allegations of fraud.
455. All ESF clauses from your funding agreement with us must be included in the subcontract, even if the provision being subcontracted is not funded by ESF.
456. Subcontractors must not use our funding to make bids for or claims from any European funding on their own behalf or on our behalf.
457. Subcontractors must not use payments made as match funding for ESF Co-Financing Projects.

### **Monitoring**

458. You must make sure that any of your subcontractors holding contracts with an overall value of £100,000 or more a year are listed on the Register of Training Organisations.
459. You must carry out a regular and substantial programme of quality-assurance checks on the education and training provided by subcontractors, including visits at short notice and face-to-face interviews with staff and learners. The programme must cover whether the learners exist and are eligible, and involve direct observation of initial guidance, assessment and delivery of learning programmes. Your findings must be consistent with your expectations and the subcontractor's records.
460. You must make sure that any Apprenticeship provision that you subcontract meets all of the standards required of Apprenticeship delivery, including the requirements of the individual Apprenticeship frameworks, the Statement of Apprenticeship Quality and the rules in the Apprenticeship section of this document.
461. You must carry out an investigation, at your own cost, if there is any evidence of a subcontractor's irregular financial or delivery activity. You must report the outcome of the investigation, in writing, to our Central Delivery Service. You must do this within 10 days of your investigation ending.

## **Second-level subcontracting**

462. You must get our approval in writing each year if you want to subcontract to a second level. We will only allow second-level subcontracting in exceptional circumstances.
463. You must declare any second-level subcontracting on your Subcontractor Declaration Form.

## **Reporting subcontracting arrangements**

464. You must provide a fully completed Subcontractor Declaration Form at least twice during 2014/2015. We will tell you the exact dates you must provide the form by. If you do not return the form on time, your payments will be suspended. If you do not subcontract, you must still provide the form to confirm this.
465. You must also update and return your Subcontractor Declaration Form if your subcontracting arrangements change during the year.

## **Distributing income between you and your subcontractors**

By law the Chief Executive must make the best use of resources when securing the provision of education and training. We will monitor the fees and charges associated with subcontracting to make sure enough funding is being allocated for providing high-quality education and training.

We can move subcontractors into a direct contractual relationship.

You must publish your supply-chain fees and charges policy and your actual end-of-year supply chain fees and charges. This information must be published on your website.

Your fees and charges policy and end-of-year actual figures should only include 'provision subcontracting'. Provision subcontracting is when you subcontract the delivery of full programmes or frameworks. It is not subcontracting the delivery of a service as part of the delivery of a programme (for example, buying the delivery of part of an Apprenticeship framework or outreach support).

If you are not sure whether your subcontracting arrangements are defined as 'provision subcontracting', discuss this with our Central Delivery Service.



466. You must publish your supply-chain fees and charges policy on your website before entering into any subcontracting agreements for the 2014/2015 funding year.
467. Employers receiving direct grant funding from us should publish information on their fees and charges policy for the 2014/2015 funding year online or, where this is not appropriate, send the information to their employer development manager. This information will then be held on record and be available for requests under the Freedom of Information Act.
468. You must, as a minimum, include the following in your supply-chain fees and charges policy.
  - 468.1. Your reasoning for subcontracting
  - 468.2. Your contribution to improving your and your subcontractor's quality of teaching and learning
  - 468.3. The typical percentage range of fees retained to manage subcontractors, and how this range is calculated
  - 468.4. The support subcontractors will receive in return for the fee you charge
  - 468.5. If appropriate, the reason for any differences in fees charged for or support provided to different subcontractors
  - 468.6. Payment terms between you and your subcontractors – timing of payments in relation to delivering provision and timescale for paying invoices and claims for funding received
  - 468.7. How and when the policy is communicated to and discussed with current and potential subcontractors
  - 468.8. Timing for policy review
  - 468.9. Where the policy is published
469. You must also publish the actual level of funding paid and retained for each of your subcontractors in 2014/2015. This data must be published within 30 days of the 2014/2015 ILR closing.
470. Employers receiving grant funding direct from us should publish their data online or, where this is not appropriate, send it to their employer development manager within 30 days of the 2014/2015 ILR closing. This information will then be held on record and be available for requests under the Freedom of Information Act.

471. You must, as a minimum, include the following in your published supply-chain fees and charges.
- 471.1. Name of the subcontractor
  - 471.2. UKPRN number of the subcontractor
  - 471.3. Contract start and end date
  - 471.4. Type of provision (for example, 16-18 Apprenticeships, 19+ Apprenticeships, classroom learning, workplace learning)
  - 471.5. Funding we have paid to you for provision delivered by the subcontractor in that academic year
  - 471.6. Funding you have paid to your subcontractor for provision delivered in that academic year
  - 471.7. Funding you have retained in relation to each subcontractor for that academic year
  - 471.8. If appropriate, funding your subcontractor has paid to you for services or support you have provided in connection with the subcontracted provision
472. You must publish this information on actual fees and charges alongside your supply-chain fees and charges policy to allow all your supply-chain fees and charges information to be viewed in context.

## **Evidence required**

As well as the Learning Agreement we will require evidence of the following.

Paragraph 437 – A request to subcontract, including an external audit report from an independent and qualified external auditor, and a copy of approval from the Chief Executive of Skills Funding.

Paragraph 438 – Written details of anything that could be considered to give rise to a conflict of interests, and a copy of the response from the Chief Executive of Skills Funding.

Paragraph 440 and 453 – Evidence that the subcontractor is on the Register of Training Organisations and the UK Register of Learning Providers (UKRLP), and their UK Provider Registration Number (UKPRN).

Paragraph 445 – Copies of your subcontracts with each subcontractor.

Paragraph 446 and 447 – Copies of the process you follow and checks you carry out when appointing subcontractors.

Paragraph 461 – A copy of the investigation report, including follow-up actions and outcomes.

Paragraph 462 – A request to second-level subcontract and copy of approval to second-level subcontract.

Paragraph 464 and 465 – An up-to-date and fully filled-in Subcontractor Declaration Form.

Paragraph 466 and 467 – Evidence of a published supply-chain fees and charges policy, as set out in the funding rules.

Paragraph 469 to 472 – Evidence of funding paid and retained in relation to supply-chain fees and charges, as set out in the funding rules.

## Annex 1

### Eligibility for funding

#### Introduction

1. You must make sure that any learner you claim our funding for is eligible. Just having the right to live or work in England does not make a person eligible for state funding for education and training. For example, an individual may have a right or permission to work in England, such as an individual on a Tier 4 student visa, but not to state funding for education or training. For learners wanting a 24+ Advanced Learning Loan, the eligibility criteria are different (as set out in the FE Loans Regulations) and will be assessed by the Student Loans Company. You can find a link to the Loans eligibility criteria [here](#).
2. To qualify for our funding, the individual must be eligible on the first day of starting the learning aim. It is not whether they are eligible when they enrol on the learning aim. If they have already started a learning aim when they were not eligible for our funding, any change in their circumstances making them eligible, will not result in us providing funding for this learning aim. However, we will fund learning aims in the future for this individual.
3. Eligibility to funding does not give the individual the right to funding, just the ability to be funded. This would depend on their circumstances, such as previous achievement, economic status, age and so on.
4. Most individuals who want to take part in learning will be eligible for funding if:
  - 4.1. they are a citizen of the United Kingdom and Islands, have Right of Abode (the right to live permanently in the United Kingdom without any immigration restrictions), or are a citizen of a country that is within the European Economic Area (EEA);
  - 4.2. they have been ordinarily resident in the United Kingdom and Islands or the European Union (EU) or the European Economic Area (EEA) continuously for at least the previous three years on the first day of learning; and
  - 4.3. the learning is taking place in England.
5. Other individuals could be eligible who do not meet the above list.
6. The following individuals are not eligible for funding.
  - 6.1. Those who have been granted a Tier 4 Visa by the UK Government

- 6.2. Those who are not EEA citizens and are in the United Kingdom on holiday, whether with or without a visa
- 6.3. Those who are not EEA citizens and are considered to be 'overstayers' by the UK Government
- 6.4. Those who are not EEA citizens, are a family member of a person granted a Tier 4 Visa, have been given immigration permission to stay in the UK and have not been ordinarily resident in the UK for the previous three years on the first day of learning

**Family members**

- 7. We define a family member of a 'principal' (see the table below) as their husband, wife or civil partner, a child, a grandchild or a dependent parent or grandparent. A 'principal' is the individual who is the main or highest in the rank or importance when looking at eligibility of family members. A family member also includes those individuals recognised by the Home Office and its agencies as a family member.
- 8. This table shows the eligibility for family members if:
  - 8.1. the family member is now ordinarily resident in England, but has not been ordinarily resident in the EEA for at least the previous three years before the start of learning; but
  - 8.2. the 'principal' family member has been resident for the required three years.

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

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

### **Non-EEA citizens**

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

### **Government decisions on an individual's immigration status**

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

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

### **Refugees**

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

### **Asylum seekers**

13. Asylum seekers are eligible for funding if:

- 13.1. they have legally been in the UK while their claim is being considered by the Home Office for longer than six months and no decision has been made; or
- 13.2. they are in the care of the local authority and are receiving local authority support under s23C or s23CA Children Act 1989 or s21 National Assistance Act 1948.

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

- 14.1. they appeal against a decision made by the UK Government against granting refugee status and no decision has been made within six months of lodging the appeal; or
- 14.2. they are granted support under section 4 of the Immigration and Asylum Act 1999; or
- 14.3. they are in the care of the local authority and are receiving local authority support under section 23C or section 23CA of the Children Act 1989, or section 21 of the National Assistance Act 1948.

### **16- 18 Apprenticeships**

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

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

### **Children of Turkish migrant workers**

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

- 16.1. the Turkish worker has been ordinarily resident in the UK;
- 16.2. the Turkish worker is, or has been, lawfully employed in the UK; and

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

### **Continuing learners**

17. Learners who are following learning aims or a programme lasting more than one funding year, and are eligible for our funding at the start of their programme, will be eligible for funding for the whole length of the learning aim or programme. You will need to reassess the learner for any subsequent learning aims or programmes started in the current funding year which we can provide funding for.
18. Learners previously funded by EFA, who we become responsible for funding if they continue their learning aim or programme in the next funding year after their 19th birthday, will be eligible for funding from us for those continued learning aims. Where this applies we will use EFA's funding method, but the funding will be paid from the Adult Skills Budget.
19. If a learner starts a learning aim that we do not fund, we cannot do so later, even if the learner's circumstances change or if funding becomes available.
20. We will only fund a continuing learner with providers if we have a funding agreement in place.

### **GCE Advanced Levels (A levels)**

21. When a learner starts an AS level qualification and intends to continue through to a full A level by completing an A2 level, the funding of both the AS and A2 levels will be treated as if they were a single qualification.
22. This means the following.
  - 22.1. For 18-year-olds who become 19 whilst studying their A level we will fund the A2 using the EFA method, but the funding will be paid from the Adult Skills Budget.
  - 22.2. 23-year-olds will continue to be funded by us when they become 24. This means that they will not have to apply for a 24+ Advanced Learning Loan for the A2.
  - 22.3. These rules apply only if the learner has set out in their Learning Agreement that they intend to follow the full A level at the start of the AS Level, that both the AS and A2 levels are in the same subject, and that the learning continues in consecutive funding years.



- 22.4. The rules set out in paragraphs 21 and 22 apply to retakes of qualifications only if they are taken in the following funding year.

## **Definitions**

### **Ordinarily resident**

23. For funding purposes, a person is ordinarily resident in a country if they normally live in the country by choice, are allowed to live there by law, and return there after temporary trips outside the country.
24. If someone who has not been ordinarily resident in a country because they, their parent or their husband, wife or civil partner was working temporarily abroad, and they needed to go with them, we will treat them as if they were ordinarily resident of that country.

### **Civil partner**

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

### **EEA citizen**

26. Under the funding rules, this is an individual who is a citizen of Iceland, Liechtenstein, Switzerland and Norway. We recognise that all EU citizens, including UK citizens, are EEA citizens. However, we need to define the smaller group of non-EU EEA citizens separately.

### **'No recourse to public funds'**

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

### **Learners from Wales, Scotland or Northern Ireland**

28. Wales, Scotland and Northern Ireland have their own funding arrangements. You must develop arrangements with the relevant administration if you are planning to deliver a significant quantity of learning to non-English residents.
29. In exceptional circumstances, we will consider funding an individual or a very small group of non-English individuals, if specialist skills training is not available other than in England and they want to travel to or live in England to study and learn. You must contact us for authorisation before you recruit anyone. We will take into account the circumstances of any request, but it

is unlikely that we will authorise more than 10 individual starts within a funding year. You must not actively recruit learners from outside of England. If the group or provision is large enough, you must approach the relevant administration to get direct funding for those learners.

30. For workplace learning we will fund non-English resident learners (usually those learners living in Wales, Scotland or Northern Ireland) whose main employment and normal working premises are in England.
31. If an employer, based in the UK, bases their training provision only in England and this would include non-English residents, you must ask our Central Delivery Service for permission to recruit. It is unlikely that we will authorise a group of more than 10 individual starts within a funding year.
32. We have funding arrangements with the funding councils for Wales and Scotland for providers who are close to the borders. This means providers can deliver learning in England to non-English residents who fall within their catchment area or vice versa.
33. All learners who are ordinarily resident in the Channel Islands or Isle of Man will not be eligible for funding as the funding responsibility for their programmes is with their own independent governments.

#### **Learners in the armed forces**

34. We recognise that British armed forces personnel may want to continue in education and training while serving their country. We will fund eligible programmes of study for service personnel, Ministry of Defence (MoD) personnel or civil and crown servants, their husbands, wives, civil partners and dependants in the following circumstances.
  - 34.1. If the person has their permanent address in other parts of the UK but is on a posting elsewhere in England or is in England with a member of the service personnel, Ministry of Defence (MoD) personnel or a civil servant.
  - 34.2. If the person has their permanent address in England but is posted outside England as part of their work with the armed forces or is with a member of the service personnel, Ministry of Defence (MoD) personnel or a civil servant. This includes both cases where the person begins a learning aim or programme in England and is posted elsewhere while enrolled on this learning aim or programme, and cases where the person begins a learning aim or programme while posted outside England. In either case, we will fund the learning aim or programme until they finish it.
35. We treat members of the British armed forces posted outside of the EU as still ordinarily resident in the UK for eligibility purposes. This means that

when they return to England, they do not have to be ordinarily resident in England for three years before being eligible. This also applies to the family members of these people. This eligibility will end three years after they leave the British armed forces, if the ex-member of the armed forces does not return to the UK during that time.

36. The provision in paragraph 35 above would also apply if ordinary residence in the EEA or Turkey is required and the learner or relevant family member has been a member of the armed forces of an EEA state or Turkey, as appropriate.
37. Individuals of other nationalities serving as members of the armed forces are eligible for funding throughout their period of service in the same way as members of the British armed forces. This includes the funding eligibility described above and their dependants living with them on their postings. This does not apply to family members who do not join members of the armed forces and instead stay outside of England.

#### **Learners employed temporarily outside of England**

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

#### **Periods of study outside of England**

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

## Qualifying countries or areas that establish eligibility for our programme funding

### 40. Member states of the European Union

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

### Notes on certain territories that fall within the EU

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

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

**Finland:** this includes the Aland Islands.

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

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

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

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

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

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

### **EEA and eligible overseas dependent territories**

42. For overall funding eligibility purposes, the EEA is defined as all member states of the EU and Iceland, Liechtenstein, Switzerland, Norway and all the eligible British overseas territories and EU overseas territories listed below. In law, Switzerland is not part of the formally recognised EEA, but its nationals are similarly eligible under various international treaties signed by the UK and Swiss governments.
43. Learners who are nationals of certain British overseas territories and of certain European overseas territories are eligible for funding, depending on the three-year rule on residence in the EEA.

### **Eligible British overseas territories**

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

### **Eligible overseas territories of other EU member states**

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

## Financial contributions

44. Paragraphs 46 to 47.15 below do not apply to Community Learning.
45. In Apprenticeships, it is the actual age of the apprentice on the first day of learning which determines their funding rate – full- or co-funded. This method is also used to determine the definition of learners aged 23 or 24. For the definition of a 19-year-old, see paragraph 3 of the main funding rules.

### Full funding

46. The following learners will be entitled to full funding for their learning programme.

#### Learners aged 16 to 18

- 46.1. Individuals on intermediate-level Apprenticeships
- 46.2. Individuals on advanced-level Apprenticeships
- 46.3. Individuals on higher Apprenticeships at levels 4, 5 and 6 for their non-prescribed HE learning aims
- 46.4. Individuals on a Traineeship

#### Learners aged 19 or older for all learning aims up to and including level 2, including units

- 46.5. Learners studying English and maths learning aims as part of the new suite of English and maths qualifications.
- 46.6. Learners (see note 17) who need help to move into work, progress in work or remove a barrier to getting into work and who are:
  - receiving Jobseeker's Allowance (JSA) (see note 18 below);

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Note 17: For all of these learners we will also fully fund certain stand-alone qualifications in Health and Safety at work, food hygiene, first aid at work, fork lift truck and certain qualifications at level 2 in security guarding, door supervision and CCTV operations (public space surveillance), which are a requirement for getting a Security Industries Authority (SIA) licence. For all eligible learners, a commitment to pay the SIA licence application fee must be in place before the training starts. The commitment to pay the licence application fee may come from a jobcentre, work programme provider, individual, prospective employer or other party.

Note 18: Including those receiving National Insurance credits only.

- receiving Employment and Support Allowance (ESA) and are in the work-related activity group (WRAG);
- receiving Universal Credit because they are unemployed, and who are mandated (required) to undertake skills training; or
- in custody who are released on temporary licence (RoTL) following learning outside a prison environment and not funded through OLASS.

46.7. You must report learning aims undertaken by learners who have been mandated by Jobcentre Plus using code LDM318 in the 'Learning Delivery Funding and Monitoring' fields in the ILR.

46.8. You must report learning aims undertaken by learners who are released on temporary licence using code LDM328 in the 'Learning Delivery Funding and Monitoring' fields in the ILR.

46.9. Individuals who are unemployed and receiving any state benefits not listed above but who want to enter employment and believe skills training will help them to do so. This includes individuals receiving Universal Credit who are not mandated (required) to undertake skills training. Full funding is at your discretion. (This relates to the learner and not the type of benefit they are receiving.) You must be satisfied that the learning is directly relevant to both the individual's employment prospects and the needs of the local labour market.

### **Learners aged 19 or older for learning aims up to and including level 2**

46.10. Trade union representatives studying Trade Union Congress (TUC) learning aims (see note 19)

46.11. An individual who is studying their first full level-2 qualification and has:

- left the British Armed Forces in the past 10 years after completing four or more years of service; or
- been medically discharged from the British Armed Forces due to an injury in active service, after completing basic training. This does not apply to Apprenticeship frameworks. This includes those learners aged 24 and over.

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Note 19: We are reviewing the current funding arrangements for Trade Union learning aims.

### Learners aged 19 or older for learning aims at level 3

46.12. An individual who is studying their first full level-3 qualification and has:

- left the British armed forces in the past 10 years after completing four or more years of service; or
- been medically discharged from the British Armed Forces due to an injury in active service, after completing basic training. This does not apply to Apprenticeship frameworks. This includes those learners aged 24 and over.

46.13. Trade union representatives studying Trade Union Congress (TUC) learning aims (see note 20 ).

### Learners aged 19 to 23

46.14. Entry or level-1 aims (not English, maths or ESOL) if a learner is entitled to full funding for a full level-2 qualification (defined in the [Qualifications Information Guide](#)), in that they must have the maximum prior learning accreditation of level 1 or below, but need a step up from basic skills to progress to a full level 2. If this relates to workplace learning, this learning aim must be vocational.

46.15. An individual studying their first full level-2 qualification

46.16. An individual studying their first full level-3 qualification

46.17. A level-4 'jumper' studying their first level 4 Diploma without having achieved a first full level-3 qualification

46.18. All learning aims approved for funding at level 3 or above, including units for the following.

- Learners who need help to move into work, progress in work or remove a barrier to getting into work and who are:
  - receiving Jobseeker's Allowance (JSA) (see note 17);
  - receiving Employment and Support Allowance (ESA) and are in the work-related activity group (WRAG);
  - receiving Universal Credit because they are unemployed, and who are mandated (required) to undertake skills training; or

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Note 20: We are reviewing the current funding arrangements for Trade Union learning aims.



- in custody and released on temporary licence (RoTL) to follow learning that is outside a prison environment and is not funded through OLASS.
- Individuals who are unemployed and receiving any state benefits not listed above but who want to enter employment and believe skills training will help them to do so. This includes individuals receiving Universal Credit who are not mandated (required) to undertake skills training. Full funding is at your discretion. (This relates to the learner and not the type of benefit they are receiving.) You must be satisfied that the learning is directly relevant to both the individual's employment prospects and the needs of the local labour market.

### **Learners aged 19 to 24**

46.19. Individuals who are unemployed and on a Traineeship.

### **Co-funding**

47. The following learners will be eligible to co-funding for their learning programme unless they qualify for full funding under paragraph 46.

### **Learners aged 19 to 23**

47.1. Entry-level or level-1 aims (not English or maths) for individuals who have attained a full qualification at level 2 or above (If this relates to workplace learning, this learning aim must be vocational.)

47.2. A full level-2 qualification delivered through classroom learning for individuals who have attained full level 2 or above

47.3. A full level-2 qualification delivered through workplace learning, where the learner is employed by a small or medium-sized enterprise (SME), for individuals who have attained a qualification at full level 2 or above (An SME is an employer with fewer than 250 employees.)

47.4. A level-2 learning aim not classified as full and delivered in classroom learning

47.5. A full level-3 qualification delivered through classroom learning for individuals who have attained full level 3 or above

47.6. A level-3 learning aim not classified as full and delivered in classroom learning or a level-4 learning aim delivered in classroom learning

47.7. ESOL delivered in classroom learning

### **Learners aged 24 or older for learning aims up to and including level 2**

47.8. Entry or level-1 aims (not English or maths) delivered through classroom learning

47.9. A full level-2 qualification delivered through classroom learning.

47.10. A full level-2 qualification delivered through workplace learning where the learner is employed by a small or medium-sized enterprise (SME). (An SME is an employer with fewer than 250 employees).

47.11. A non-full level-2 learning aim delivered through classroom learning.

47.12. ESOL delivered in classroom learning.

### **Learners aged 19 or older**

47.13. Individuals on intermediate-level Apprenticeships

47.14. Individuals on advanced-level Apprenticeships

47.15. Individuals on higher Apprenticeships at levels 4, 5 and 6 for their non-prescribed HE learning aims

### **Other information**

48. Learners continuing a learning aim or learning aims from previous years will continue to receive funding as was decided at the time. This only applies to continuing learning aims or programmes. For example, a learner moving on from an intermediate-level to an advanced-level Apprenticeship is classed as 'continued' learning and not 'continuing' and so the changes would apply to the new programme.

49. Learners with learning difficulties or disabilities who have an Education, Health and Care plan (EHC plan) will receive full funding in all of the following circumstances.

- 49.1. If the learner is over 25 (see note 21) at the start of the 2014/2015 funding year and has not completed the learning programme set out in their EHC plan as meeting their needs.
- 49.2. If the learner is placed with an independent specialist provider (ISP) and they have an EHC plan which confirmed that the learner's needs could only be met by the ISP.
- 49.3. If the learner is following a programme of learning which is identified in their EHC plan as meeting their needs and they could not complete before reaching their 25th birthday because of an unavoidable delay in the learner beginning the programme.
- 49.4. If the learner will continue to make progress on the programme.

### **No funding**

50. Unless listed in paragraphs 46 to 49 above, an individual will not be eligible for funding from us. If they are aged 24 or older and following a level 3 or 4 learning aim they may be eligible for a Loan. Otherwise, they would have to fund the learning themselves.

### **Employer contributions in workplace learning**

51. We fully fund all Apprenticeship frameworks that are started before an apprentice's 19th birthday. If the apprentice progresses onto another framework, we will also fund this fully if it also started before the apprentice's 19th birthday.

52. We co-fund all Apprenticeship frameworks started on or after the apprentice's 19th birthday.

53. You must actively make sure that the employer knows the financial value of the Government's financial contribution to training their apprentices. This information must be provided at the start of the Apprenticeship and then at the beginning of each funding year (as appropriate). We expect the format to be 'over the next funding year, Her Majesty's Government (HMG) will contribute £\*\*\* to [insert employee's name] Apprenticeship training'. This information may be needed by the employer for State Aid purposes.

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Note 21: The Education Funding Agency will fund those learners who reach 25 during the 2014/2015 funding year. This does not affect our legal responsibilities for these learners.

## Ministry of Defence – enhanced learning credits

54. We will fully fund an individual studying their first full level-3 qualification if they left the British armed forces up to 10 years ago after completing four or more years of service or who has been medically discharged due to an injury in active service after completing basic training. This does not apply to Apprenticeship frameworks.
55. The learner must also contact the Enhanced Learning Credits Administration Service who will confirm eligibility and send you proof of this. This does not have to be done if the learner is studying a full level-2 qualification.

## Apprenticeships alternative completion conditions – occupations and frameworks

Specified occupation	Framework
Assistant to the camera crew Broadcast assistant Post-production assistant Post-production runner Production assistant Production runner	Creative and Digital Media (Advanced)
Technical illustrator Junior graphic designer	Design (Advanced)
Venue and stage crew	Live Events and Promotion (Advanced)
Venue and stage crew support	Live Events and Promotion (Intermediate)
Lighting technician	Technical Theatre (Advanced)
Lighting technician assistant	Technical Theatre (Intermediate)
Deckhand within the sea fishing industry Share fisherman within the sea fishing industry	Maritime Occupations

## Apprenticeships - alternative completion conditions – list of exempt sports

Aquatics (diving, swimming, synchronised swimming, water polo)	Golf	Skiing - freestyle
Archery	Gymnastics	Skiing – Nordic combined
Athletics	Handball	Skiing – ski jumping
Badminton	Hockey	Skiing - snowboarding
Baseball and softball	Ice hockey	Squash
Basketball	Ice sledge hockey	Table tennis
Biathlon	Judo	Taekwondo
Bobsleigh and skeleton	Luge	Tennis
Boccia	Modern pentathlon	Triathlon
Boxing	Netball	Volleyball
Bowls	Powerlifting	Weightlifting
Canoeing	Rowing	Wheelchair basketball
Curling	Sailing	Wheelchair curling
Cycling	Shooting	Wheelchair fencing
Equestrian	Sitting volleyball	Wheelchair tennis
Fencing	Snowsport	Wheelchair rugby
Football (5-a-side)	Skating (figure, short track, speed)	Women's football
Football (7-a-side)	Skiing - alpine	Women's rugby union
Goalball (British Blind Sport)	Skiing – cross country	Wrestling





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