



Department  
for Education

# **Apprenticeship funding rules**

**August 2023 to July 2024**

**June 2024**

**Version 4**

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# Introduction and purpose of the document

## **New for 1 August 2023**

**1 to 16** We have updated definitions to reflect that funding rules for main providers, employer-providers and employers are now combined into a single document.

## **New for Version 1**

**15** We have updated the definition of employer to clarify who should be responsible for signing the apprenticeship documentation.

## **New for 31 October 2023 - Version 2**

We have updated definitions and references throughout the document to reflect the new Apprenticeship Provider and Assessment Register (APAR).

## **New for 28 March 2024 – Version 3**

**7** We have included reference to the two-year growth pilot which starts in April 2024. Those training providers who receive additional payments as part of the two-year growth pilot must also refer to the supplemental funding rules and guidance for this pilot. We will provide these rules to those who are in scope.

1. This document sets out the rules for:
  - 1.1. Main providers and employer-providers receiving funding for delivering apprenticeship training and on-programme assessment in England; and
  - 1.2. All employers of apprentices who are accessing funding for apprenticeships in England.
2. These rules will apply to all apprenticeships starting on or after 1 August 2023 unless stated otherwise. Any apprenticeship which started before 1 August 2023 will continue to follow the [rules](#) applicable at that time. These can be accessed on GOV.UK.
  - 2.1. We may make changes to these rules at any time.
3. These rules form part of the terms and conditions for the use of funds in an employer's [apprenticeship service](#) account or for government-employer co-investment.
4. Main providers and employer-providers must operate within the terms and conditions of their funding agreement with the Secretary of State for Education,

which includes these rules and the [individualised learner record specification](#). If they do not, they will be in breach of their funding agreement.

- 4.1. Employers accessing funding through the apprenticeship service must operate within the terms and conditions of their [apprenticeship employer agreement](#) with the Secretary of State for Education which includes these rules. If they do not, they will be in breach of their employer agreement.
5. We reserve the right to take action where a provider breaches their funding agreement and / or an employer breaches their employer agreement. This includes the recovery of all or part of the government funding if we are satisfied that there has been a breach of the funding rules. This includes where claims are made for funding through an employer's apprenticeship service account, government co-investment or additional payments to which the provider and / or the employer are not entitled.
6. Those taking part in the portable flexi-job apprenticeships pilot must also refer to the supplemental funding rules for employers / providers delivering the portable flexi-job apprenticeships pilot. We will provide these rules to those who join the pilot.
7. Those training providers who receive additional payments as part of two-year growth pilot must also refer to the supplemental funding rules and guidance for this pilot. We will provide these rules to those who are in scope.

## Definitions

8. We use the term 'main provider' where the funding rule only applies to an organisation that is listed on the main provider route of the [Apprenticeship Provider and Assessment Register \(APAR\)](#).
9. We use the term 'employer-provider' where the funding rule only applies to a levy-paying organisation that is listed on the employer-provider route of the APAR. Employer-providers can only deliver apprenticeship training to their own staff or those of a connected company or charity and must do so on an actual cost basis.
10. We use the term 'provider' where the funding rule applies to organisations on the main provider or the employer-provider route of the APAR.
11. In all three cases, where we use the term main provider, employer-provider or provider this organisation will:
  - 11.1. Hold a funding agreement with us through which we will directly route funds from an employer's apprenticeship service account or government-employer co-investment;

- 11.2. Hold the overall responsibility for the training and on-programme assessment conducted by themselves and their delivery subcontractors; and
- 11.3. Hold the contractual relationship for the end-point assessment of the apprentice.
12. Main providers delivering to their own staff must follow the specific rule for employer-providers and only claim actual costs (see paragraph 93).
13. We use the term 'subcontractor' to mean an organisation that is contracted by a provider for the delivery of training and on-programme assessment as part of the employer's agreed apprenticeship programme. A subcontractor can be on the main provider, the employer-provider or the supporting provider route of the APAR. A subcontractor will not be in direct receipt of funds but will receive these through the organisation that has contracted with them. (Also see glossary definition.)
14. We use the term 'employer' to mean an organisation that has a contract of service and an [apprenticeship agreement](#) with an apprentice. This can include:
  - 14.1. Employer-providers and Flexi-Job Apprenticeship Agencies (FJAA);
  - 14.2. Companies or charities whose PAYE scheme the employer has connected to their apprenticeship service account in accordance with HMRC's definition of [connected companies and charities](#); and
  - 14.3. The organisation acting as the employer of alternative English apprentices (see paragraphs 62 to 63).
15. All references to an 'employer' are in relation to the whole organisation and not to individual sites or locations. Whilst the apprentice must have a separate identifiable line manager who is undertaking the role of the 'employer', it is a matter for the organisation employing the apprentice as to who should sign the documentation associated with the apprenticeship.
16. We use the terms 'we', 'our', 'us' and 'ESFA' to refer to the Department of Education and / or the Education and Skills Funding Agency.

# Initial assessment

## Overview

17. The provider must ensure that both the learner and the programme are eligible for funding by conducting an initial assessment. We do not specify which assessment tools must be used; this is for the provider to determine. The initial assessment must include an assessment of:
  - 17.1. Learner eligibility (see paragraphs 19 to 24);
  - 17.2. Programme eligibility, after accounting for all relevant prior learning and experience (see paragraphs 25 to 30);
  - 17.3. Learning support (see paragraphs 31 to 38); and
  - 17.4. English and maths support (see paragraphs 39 to 51).
18. After the initial assessment has been carried out, the provider must discuss and document the outcome with the individual and their employer (see paragraphs 52 to 55).

## Learner eligibility

### New for 31 October 2023 - Version 2

**22.1 Policy update:** As an exception to paragraph 21, employers who operate Pooled PAYE schemes may use funds from their apprenticeship service account or government-employer co-investment for apprentices employed by an organisation within their Pooled PAYE scheme.

**Policy update:** We have removed reference to Release on Temporary Licence (RoTL) to reflect the expansion of Prisoner Apprenticeships into the closed estate.

**24** Providers must not claim funding for individuals who are working under IR35 (see glossary definition) unless they meet one of the Alternative English apprenticeship arrangements.

## Individuals who are eligible for funding

19. A provider must only claim funding for an individual who meets the eligibility criteria set out in this document unless they are eligible under the [Education \(Fees and Awards\) \(England\) Regulations 2007](#) (as amended).

20. The provider must check the eligibility of the individual for apprenticeship funding at the start of their apprenticeship.
  - 20.1. We will use the age of the apprentice on the day they start their apprenticeship for all age-based eligibility criteria for that apprenticeship.
  - 20.2. An apprentice's eligibility for funding will not change during the apprenticeship unless their employment status also changes e.g. they become unemployed. If an apprentice is made redundant, we may continue to fund their training, even if they cannot find another employer (see paragraphs 235 to 239).
  - 20.3. A provider must reassess an individual's eligibility for any new apprenticeship.
21. To access funds in the employer's apprenticeship service account or government-employer co-investment, the provider must ensure that the individual:
  - 21.1. Has an eligible residency status (this information can be found in the residency eligibility section in Annex A).
  - 21.2. Has the right to work in England.
  - 21.3. Starts their apprenticeship after the last Friday in June of the academic year in which they have their 16th birthday.
  - 21.4. Is able to complete the apprenticeship within the time they have available, including the end-point assessment. If the provider knows an individual is unable to complete the apprenticeship in the time they have available, (e.g., because their visa will expire or because they have a fixed term contract which is shorter than the duration of the apprenticeship), they must not be funded.
  - 21.5. Does not use a student loan to pay for their apprenticeship. Where an individual transfers to an apprenticeship from a full-time further education or higher education course and that course has been funded by a student loan, the loan must be terminated by the individual and the provider must be satisfied that this has occurred.
  - 21.6. Does not benefit from funding for any part of their apprenticeship that duplicates training or assessment they have received from any other source.
  - 21.7. Spends at least 50% of their working hours in England over the duration of the apprenticeship.



21.7.1 For working hours to be counted in the 50% limit, they must be regular, planned and known at the start of the apprenticeship. See Annex A (paragraph 302) for exceptions to this rule.

21.7.2 The provider must make separate arrangements with the relevant devolved administration for those who do not meet this rule.

22. An employer must only use funds from their apprenticeship service account or government-employer co-investment for apprentices employed by them or a [connected company or charity](#) as defined by HMRC. This also applies where the apprentice is funded by a transfer of funds from another employer.

22.1. As an exception to paragraph 21, employers who operate Pooled PAYE schemes may use funds from their apprenticeship service account or government-employer co-investment for apprentices employed by an organisation within their Pooled PAYE scheme.

23. It is intended that prisoners will complete part of their training while in custody and part after release into the community. As a minimum, however, no prisoner apprentice may undertake end-point assessment prior to release.

23.1. Military prisoners, immigration detainees and prisoners on remand are ineligible for apprenticeships offered in prisons.

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

24. A provider must not claim funding for individuals who:

24.1. Are self-employed as a sole trader;

24.2. Are working under IR35 (see glossary definition) unless they meet one of the alternative English apprenticeship arrangements (see paragraphs 62 to 63);

24.3. Are a shareholder / director with no separate identifiable line manager to undertake the role of 'employer', as defined by these funding rules;

24.3.1 During the apprenticeship, if an apprentice becomes self-employed as a sole trader, or becomes a shareholder / director with no separate identifiable line manager, they will no longer be eligible for funding and the provider must report them as having withdrawn.

24.4. Are in the United Kingdom illegally;

- 24.5. Are resident in the United Kingdom on a student visa unless they are eligible through meeting any other of the categories described in Annex A;
- 24.6. Are in the United Kingdom on holiday, with or without a visa;
- 24.7. Have overstayed their immigration or visitor visa;
- 24.8. Are a family member of a person granted a student visa, have been given immigration permission to stay in the UK and have not been ordinarily resident in the UK for the previous three years on the first day of learning;
- 24.9. Are ordinarily resident in the Channel Islands or Isle of Man, unless they are also ordinarily resident within England;
- 24.10. Have a biometric residence permit or residence permit imposing a study prohibition or restriction on the individual;
- 24.11. Are undertaking another apprenticeship;
- 24.12. Are undertaking training funded through the Adult Education Budget (AEB), where that training will:
  - 24.12.1 Replicate vocational and other learning aims covered by the apprenticeship, including English and maths;
  - 24.12.2 Offer career related training that conflicts with the apprenticeship aims; or
  - 24.12.3 Be taking place during working hours. Where an apprentice has more than one job, working hours refers to the hours of the job the apprenticeship is linked to.
  - 24.12.4 As an exception to paragraph 24.12 an individual may commence an apprenticeship and attract funding, where they have less than four weeks to completion of an existing DfE funded course.
- 24.13. Are in receipt of any other direct DfE funding during their apprenticeship; this includes any other DfE funded FE / HE programme including those funded by the Office for Students or a student loan, but excludes funding outlined in paragraph 24.12 and apprentices taking part in the [Turing Scheme](#); or
- 24.14. Are undertaking any part of an apprenticeship whilst on a sandwich placement as part of a degree.

## Evidence requirements

Providers must retain evidence of an individual's eligibility for apprenticeship funding as per paragraphs 21 to 24 including:

- Confirmation that the provider has seen the learner's identity documents or immigration permission to verify their residency eligibility in line with Annex A.
- Confirmation of the apprentice's date of birth.
- Confirmation that the provider is satisfied the learner is eligible for funding and (where necessary) where a learner's permission to stay has expired they must hold evidence that an application to remain has been made.
- Evidence that the apprentice will spend at least 50% of their working hours in England over the duration of the apprenticeship including time spent on off-the-job training. Where the business footprint is larger than England this could include a roster for a typical month for the apprentice along with written confirmation from the employer.
- Evidence of employment to confirm that the apprentice is employed by that employer or a connected company or charity as defined by HMRC. This can be a relevant extract from a contract of employment or it could be a signed declaration by the employer.

Confirmation that the apprentice is not:

- Enrolled on another apprenticeship.
- Enrolled on a DfE funded HE / FE programme (excluding AEB) where that programme is more than 4 weeks from completion.
- Enrolled on an AEB funded programme where that programme does not comply with rules 24.12.

The provider must confirm the type of evidence they have seen to satisfy that the apprentice meets all eligibility criteria.

Where this evidence needs to come from the apprentice's employer, the employer must give this to the provider.

## Recognition of prior learning and experience

### New for 31 October 2023 - Version 2

**26 to 27** It is accepted that prior learning is less likely to exist for 16-18 year-olds but, where this is the case, the provider must still evidence this with a check of the personal learning record and a discussion. There is no longer a requirement to complete a skills scan in this scenario.

### Overview

25. To verify an apprentice's suitability for their chosen standard and to tailor the learner's training plan, the provider must review the individual's prior learning and experience. Funds must not be used to pay for training for knowledge, skills and behaviours already attained by the apprentice, and we will take action to recover apprenticeship funding where this happens.

25.1. Prior learning and experience includes the following:

25.1.1 Prior education, training or associated qualifications in a related subject sector area, including any previous apprenticeship undertaken; and

25.1.2 Learning or competence gained from prior work experience, particularly where the apprentice is an existing employee, or is beginning their apprenticeship after completing another programme with a relevant work placement.

25.2. Further information about [recognition of prior learning](#) can be found on GOV.UK.

### Assessment of prior learning and experience (16–18-year-olds)

26. Prior learning is unlikely to exist for apprentices aged 16-18 unless they have:

26.1. Previously enrolled in an apprenticeship; or other training that is aligned to IfATE's occupational standards in the same sector (see paragraphs 28.4 to 28.5); or

26.2. They have relevant prior work experience (see paragraph 25.1.2).

27. To establish this the provider must check the individual's [personal learning record](#), if they have one, and have a discussion with the learner about the likelihood of relevant prior learning against the proposed apprenticeship standard.

- 27.1. Where relevant prior learning and experience is not identified, this should be documented and agreed with the employer. No further actions are required, including any price reduction.
- 27.2. If relevant prior learning and experience does exist then the provider must follow the rules in paragraphs 28.3 to 28.5 below.

## **Assessment of prior learning and experience (19+ year-olds)**

28. For all apprentices aged 19+ the provider must:
  - 28.1. Check the individual's personal learning record, if they have one, to identify relevant qualifications;
  - 28.2. Have a discussion with the learner about the likelihood of relevant prior learning against the proposed apprenticeship standard;
  - 28.3. Conduct a skills scan against the knowledge, skills and behaviours of the proposed apprenticeship standard;
    - 28.3.1 If considered relevant by the provider, or required by the standard, this skills scan can be supplemented with additional diagnostic testing, of either occupational competence or of English and maths prior attainment.
  - 28.4. Take account of the published [progression profiles](#), if the individual has completed a T-Level. These will identify if a subsequent apprenticeship in the same occupational area can be funded, and if so, whether that apprenticeship must be an 'accelerated apprenticeship' (see glossary) with an adjustment in content, duration and cost.
  - 28.5. Take account of progress profiles, where published and relevant, if the individual has taken part in a skills bootcamp.
29. Where relevant prior learning and experience is not identified, this should be documented and agreed with the employer.

## **Taking account of prior learning and experience (all learners)**

30. Where relevant prior learning and experience is identified, the provider must summarise the impact, including whether, and by how much, the apprenticeship content and duration has been reduced.
  - 30.1. Where content is to be omitted from the training plan, this must be shown as a volume of off-the-job training hours. This reduction in hours must translate to a reduction in duration and price (see exception at paragraph 30.1.3).

- 30.1.1 If there is insufficient content remaining (i.e. less than 12 months), the individual will be ineligible for apprenticeship funding.
  - 30.1.2 If the provider cannot reduce the duration, they must still meet the minimum requirements of the off-the-job training policy for the full duration of the apprenticeship that has been reported to us in the ILR.
  - 30.1.3 Some standards linked to regulated professions (e.g. the nursing associate standard) require that prior learning, including experience in the workplace, is formally accredited. Where training needs to be repeated to meet the accreditation requirements of a regulated profession then this is eligible learning; this must be documented as part of the assessment. The relevant industry / professional body can provide further advice.
- 30.2. To calculate the reduction in price the provider must:
- 30.2.1 Calculate the percentage of prior learning that the individual has, as a percentage of the off-the-job training hours that would be delivered to an individual with no relevant prior learning for the same standard. For example, if the individual's prior learning accounts for 300 off-the-job training hours and typically, for the same standard, 1,000 off-the-job training hours would be delivered to an individual with no prior learning, this would equate to a 30% prior learning percentage. (Further examples can be found in the RPL guidance – see paragraph 25.2).
  - 30.2.2 Reduce the total price by at least 50% of the prior learning percentage, from the funding band maximum (the 50% reduction recognises that there are some fixed costs in the apprenticeship). For the example in the paragraph above, where the apprentice has 30% prior learning, this means there must be a reduction in the total price of at least 15% from the funding band maximum (e.g. £1,500 price reduction if the funding band maximum is £10,000). This reduced price (i.e. £8,500) is the maximum that will be paid using apprenticeship funding (i.e. £8,500 for a £10,000 funding band where there has been a 15% price reduction).
  - 30.2.3 This new maximum funding amount (i.e. £8,500) becomes the starting point for any further price negotiation with the

employer. Additional discounts could be applied, for example, where the apprentice is part of a large cohort.

- 30.2.4 The final price (i.e. £8,500, if there is no further employer discount in the example above) must be split between fields TNP1 and TNP2 in the ILR. TNP1 is the price of the training and on-programme assessment, TNP2 is the price agreed for the end point assessment organisation (see paragraphs 104 to 118.)

## Evidence requirements

For all learners the provider has:

- Checked the individual's personal learning record. Where this information is unavailable or an apprentice is unable to provide evidence of prior attainment please refer to [get a replacement exam certificate](#) on GOV.UK. Evidence of proof of equivalency from [UK ENIC](#) can be used where an individual has an international qualification.
- Had a discussion with the learner about the likelihood of relevant prior learning against the proposed apprenticeship standard.

For learners aged 19+ (and 16-18 year old learners if appropriate) the provider has also:

- Conducted a skills scan against the knowledge, skills and behaviours of the proposed apprenticeship standard and where relevant, has supplemented this with additional diagnostic testing, of either occupational competence or of English and maths prior attainment.
- Where relevant, has used the published progression profiles.

Where relevant prior learning and experience does not exist, the provider has recorded this and the reason for this assessment. This has been agreed with the employer.

Where relevant prior learning and experience does exist, this has been agreed with the employer and the provider has:

- Summarised the impact, including whether, and by how much, the apprenticeship content and duration has been reduced. This summary confirms that the resulting apprenticeship meets the funding rules in relation to the minimum duration and off-the-job training.
- Where content is to be omitted from the training plan, this has been shown as a volume of off-the-job training hours.
- Where the standard is linked to a regulated profession, and this impacts the reduction, this has been documented.
- Calculated the reduction in price by following the example set out in paragraph 30.2 and has split the outcome over fields TNP1 and TNP2 in the ILR.



# Apprentices who need access to learning support

## Definitions

31. Learning support funding is available to meet the costs (incurred by a provider) of putting in place reasonable adjustments, as set out in section 20 of the [Equality Act 2010](#). This is for an apprentice who:
  - 31.1. Has a learning difficulty or disability as defined in Section 15ZA(6) of the [Education Act 1996](#) (as amended by section 41 of the Apprenticeships, Skills, Children and Learning Act 2009), who, as a result of this learning difficulty or disability, requires reasonable adjustments in order to be able to complete their apprenticeship, including any reasonable adjustments to complete English and maths requirements and end-point assessment.
32. For the purposes of this section a person has a learning difficulty [or disability] if (a) the person has a significantly greater difficulty in learning than the majority of persons of the same age, or (b) the person has a disability which either prevents or hinders the person from making use of facilities of a kind generally provided by institutions providing education or training for persons who are over compulsory school age.
33. In relation to paragraphs 31 to 32, this can include an apprentice who has not previously had a learning difficulty or disability identified, but in relation to whom the provider has identified a learning difficulty or disability (as defined in Section 15ZA(6) of the Education Act 1996) that would directly affect the apprentice's ability to complete their apprenticeship.

## Assessment for learning support funding

34. As part of the initial assessment (which is an eligible cost), the provider must undertake a screening exercise for learning support.
  - 34.1. Where this assessment identifies potential learning difficulties and / or disabilities, and before a claim for learning support funding (to cover the cost of reasonable adjustments) can be made, the provider may need to undertake a further detailed assessment to identify whether an apprentice has a learning difficulty or disability that directly impacts their ability to complete the apprenticeship on which they are enrolled.
    - 34.1.1 This further detailed assessment is not eligible for funding.
    - 34.1.2 The provider must refer to the evidence requirements below to ensure they meet the requirements for claiming.

- 34.1.3 More information on what assessments need to be undertaken can be found within the '[Learning support funding for apprentices with learning difficulties and disabilities](#)' guidance on GOV.UK.
- 34.2. A learning difficulty or disability that does not require reasonable adjustments or cannot be evidenced as directly impacting on the apprentice's ability to complete their apprenticeship will not be eligible for learning support funding. Learning support is not available:
  - 34.2.1 To deal with everyday difficulties, which includes the definition as per Section 15ZA(7) of the [Education Act 1996](#), that are not directly associated with the apprenticeship. If an apprentice needs help at work they may be able to get help from [Access to Work](#);
  - 34.2.2 To address any learning gaps in an apprentice's prior knowledge, skills, or behaviours where these are relevant to their apprenticeship, but where there is no identified learning difficulty or disability in respect of obtaining this learning (see paragraphs 31 to 32); or
  - 34.2.3 Where there are no costs incurred in putting in place reasonable adjustments.

## Claiming learning support funding

- 35. The provider can only claim learning support funding for each month in which reasonable adjustments are provided to the apprentice and where evidence of costs can be provided. For months in which no reasonable adjustments are necessary, or no costs have been incurred, a claim for learning support funding must not be made.
- 36. Learning support funding is fixed at a monthly rate of £150.
  - 36.1. This will be paid, to the provider, in the months in which reasonable adjustments are necessary and delivered, where they are evidenced and where this has been reported in the ILR.
    - 36.1.1 Learning support funding is not deducted from the employer's apprenticeship service account, nor does it require employer co-investment.
  - 36.2. If the cost exceeds £150 per month, but is less than £19,000 per annum, the provider can claim the additional costs via the earnings adjustment

statement (EAS). Further information on the [EAS](#) can be found on GOV.UK.

36.3. The monthly payment cannot be used to pay for costs for any further detailed assessment, as this is not eligible to be funded by us (see paragraph 34.1.1).

36.4. Ongoing delivery and need for learning support must be reviewed on a monthly basis. Where the review determines that learning support funding is no longer needed, providers must immediately stop claiming these payments by updating the ILR appropriately.

37. The provider must promptly claim for learning support funding through the ILR and the EAS. We will not pay for claims from a previous funding year if claims are not made on time. The deadline for claiming is the last ILR collection for each funding year.

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

38. An apprentice who requires substantial reasonable adjustments to start or continue learning can get access to exceptional learning support if the cost of these reasonable adjustments exceeds £19,000 in a funding year. The provider must submit ELS claims to us at the beginning of the apprenticeship, or when it is identified that the apprentice requires support costing more than £19,000 in the funding year.

38.1. The provider must complete and send the ELS claim form to us so that we can authorise the request. The [exceptional learning support cost form](#) can be accessed on GOV.UK.

## Evidence requirements

- Where the provider has identified a learning difficulty or disability, they must (1) evidence that an assessment has been carried out and hold a copy of the assessment results which identifies the apprentice's learning difficulty or disability; (2) evidence / details of the reasonable adjustments that are necessary to enable the apprentice to complete the apprenticeship on which they are enrolled; and (3) include a description of how progress towards the completion of the apprenticeship would be directly impacted if the reasonable adjustments listed were not put in place for the apprentice.
- The provider has documented evidence of how they plan to deliver the necessary reasonable adjustments throughout the apprenticeship. This plan has been agreed and signed-off by the apprentice, prior to a claim for learning support funding being made, and where the apprentice has given consent this information has been shared with their employer.
- For the months where learning support funding is claimed, the provider has evidence and documented details of the necessary reasonable adjustments that have been delivered in that period. Learning support funding will only be paid in months where the reasonable adjustments are required and are being delivered. Where costs exceed £150 per month the provider must provide invoices to evidence the actual costs incurred (claimed via the Earnings Adjustment Statement).
- The provider has documented evidence of monthly reviews being undertaken throughout the apprenticeship to ensure that reasonable adjustments are still necessary and appropriate (for the apprenticeship). This evidence confirms the effectiveness of the reasonable adjustments and how these have been adapted where necessary. Where amendments to the original plan are required, these will need to be documented, signed-off by the apprentice and evidenced accordingly.
- Where exceptional learning support (ELS) is claimed for an apprentice, the provider has the application and supporting evidence for this claim. This includes details of the reasonable adjustments and the actual costs incurred.

## Support for English and maths training

### New for 1 August 2023

#### New for Version 1

- 43** We have updated the text to clarify that those undertaking a level 3 or higher apprenticeship must achieve a level 2 in both English and maths.

39. English and / or maths must be provided for all apprentices where they do not have prior attainment in these subjects at level 2.

### What we will fund

40. We will fund an apprentice to achieve up to an approved level 2 qualification in English and maths where they do not already hold a suitable equivalent qualification. Acceptable equivalents are set out in a [published list](#) on GOV.UK.

41. A provider can claim funding for an apprentice who has not previously attained a GCSE grade A\* to C (or 9 to 4) in English or maths (or both) on the day they start the following qualifications:

41.1. GCSE English language or maths (or both); or

41.2. Functional Skills English or maths at level 2 (or both).

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

42.1. Where the apprentice holds neither level 1 nor level 2 approved qualifications:

42.1.1 The apprentice must study towards and achieve English and maths qualifications of at least level 1 (functional skills level 1 or GCSE grade E or 2). Once level 1 (functional skills level 1 or GCSE grade E or 2) is secured, apprentices must work towards level 2 English and / or maths (functional skills level 2 or GCSE) where there is time to make meaningful progress (a minimum of three months remaining prior to gateway).

42.1.2 In recognition that a level 2 English and maths is at least two levels above the level of prior attainment, they are not

required to be assessed at level 2 unless the provider is satisfied they are ready for assessment (for example from mock / practice attempts).

42.2. Where the apprentice already holds approved level 1 qualifications:

42.2.1 The apprentice must start, continue to study and take the assessments for a level 2 English and / or maths (functional skills level 2 or GCSE). This requirement must be fulfilled before the apprentice takes the end-point assessment. The apprentice should be assessed at level 2 for all three units of the English functional skills and the assessment for maths.

43. For those undertaking a level 3 or higher apprenticeship, it is a requirement that they hold or achieve an approved level 2 in both subjects before they can successfully complete the apprenticeship. The apprentice must commence tuition at the English and maths level immediately above the level at which they have been assessed at the start of their apprenticeship, in instances where this is lower than the exit requirements.
44. If the apprentice is made redundant, they are allowed to continue with their English and / or maths up to and including level 2.
45. The provider must not claim funding from the adult education budget for English and maths, or via Multiply for full maths qualifications undertaken by an apprentice.
46. The provider must provide evidence of the apprentice's achievement in English and / or maths. They must do this as soon as possible and before the gateway to end-point assessment.

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

47. If an apprentice does not have acceptable evidence of previous attainment of English and / or maths the provider must carry out an assessment of their current level. The provider must use current assessment tools based on the national literacy and numeracy standards and core curriculum or DFE published functional skills subject content for [English](#) and [maths](#). The assessment outcome is used to determine the level the apprentice must start working towards, and does not remove the requirement to achieve the minimum required level in English and maths (see paragraphs 42 to 43).

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

48. All individuals must be considered on a case-by-case basis and must satisfy all of the following conditions:
  - 48.1. The apprentice has either an existing or previously issued education, health and care (EHC) plan (or one of the legacy equivalents: a statement of special educational need (SEN) or a learning difficulty assessment (LDA)). Self-declaration of a learning difficulty or a disability is insufficient.
  - 48.2. The provider and the employer expect the apprentice to achieve all other aspects of the apprenticeship requirements, become occupationally competent and achieve entry level 3 functional skills in the adjusted subject(s) before the end of their apprenticeship.
  - 48.3. The provider holds or has conducted an evidenced judgement demonstrating that even with support, reasonable adjustments and stepping stone qualifications, the apprentice will not be able to achieve English and / or maths to the minimum level within the timeframe projected for them to complete all the occupational elements.
  - 48.4. Depending on the apprentice's individual circumstances and outcome of the provider's judgement, the exception outlined above may apply to either English and maths (or both). If the exception applies to only one subject, the regular requirements for the non-adjusted subject will apply.
  - 48.5. The provider must retain all elements of the judgement in the evidence pack.
49. Although the apprentice will be exempt from the regular English and / or maths minimum requirements, providers must plan and evidence how the apprentice will access further literacy and numeracy development, including level 1 and level 2 courses, as part of their overall training provision, if appropriate. This rule only applies if the apprentice meets all of the criteria set out in paragraph 48. The judgement must be formal and structured and conducted by an appropriate professional associated with the provider (or subcontractor), such as the head of special educational needs (SEN) or student support. It must be conducted within eight weeks of an apprentice beginning their apprenticeship and must include:
  - 49.1. A judgement of the apprentice's current English and maths ability;

- 49.2. Information on how the learning difficulty or disability affects the apprentice's English and maths abilities and a clear indication of whether English and / or maths are affected;
  - 49.3. A judgement of the apprentice's ability to meet the regular English and maths requirements even with appropriate support in place;
  - 49.4. The creation of a recommended learning plan to enable the apprentice to achieve entry-level 3 functional skills in the adjusted subject(s) and, where appropriate, to continue to build on their literacy and numeracy skills by accessing further courses; and
  - 49.5. A copy of an education, health and care (EHC) plan (or one of the legacy equivalents: a statement of special educational need (SEN) or a learning difficulty assessment (LDA)).
50. If the apprentice disagrees with the judgement outcome, the provider must provide a facility for the apprentice to request a second opinion and must ensure that a second SEN professional independently reviews the outcome. The provider may determine the format of the review process.
51. From 1 May 2023 to 1 May 2024 we will be running a pilot on using alternative forms of evidence to determine apprentice eligibility for flexibilities to regular English and maths requirements. Approved participating providers will have received written confirmation and should refer to the pilot specification for more information.



## Evidence requirements

- Details of how English and maths will be delivered, including a plan of delivery and evidence of delivery taking place against that plan.
- All initial assessments for English and maths, including evidence of prior attainment. Please also refer to the evidence requirements for recognition of prior learning and experience.
- Additional information where the apprentice is assessed as exempt from the normal English and maths requirements. In these circumstances the provider must also include:
  - A copy of the authorisation by an appropriate professional, for example the head of special education needs (SEN) or student support;
  - Evidence of how the apprentice's learning difficulty or disability affects their English and / or maths abilities;
  - The apprentice's recommended learning plan to achieve entry level 3 in English and / or maths (as appropriate); and
  - The apprentice's education, health and care (EHC) plan (or one of the legacy equivalents: a statement of special educational need (SEN) or learning difficulty assessment (LDA)).

## The outcome of the initial assessment

### New for 1 August 2023

- 52 Policy change:** If the employer is unable to attend this discussion, the provider must give them the opportunity to contribute and send them the relevant information after the meeting, for their review and signature.
- 54** The discussion must include an agreement on the recognition of prior learning and how all parties will work together to achieve the apprenticeship (i.e. the roles and responsibilities of the provider, employer and apprentice). (This rule has moved from training plan section).
- 55 Policy change:** The employer must agree to take part / provide input into progress reviews.

### New for Version 1

- 54** The discussion must also include the price of the apprenticeship so it is clear to the employer from the outset how much they will need to contribute (if applicable).

- 52. After completing the initial assessment, the provider must discuss the outcome with the individual and their employer, so that all parties have a shared understanding of the results and how these results will inform a tailored training plan for the apprentice. This discussion can be face to face, virtual (for example using 'Microsoft Teams') or be can via email. There must be evidence that the employer agrees with the information provided.
  - 52.1. If the employer is unable to attend or take part in this discussion, the provider must have given them the opportunity to contribute and must send them the relevant information after the discussion has taken place, for their review and signature.
- 53. This discussion must include the activities covered by the initial assessment (i.e. learner eligibility, programme eligibility including the recognition of prior learning and experience, learning support (where the apprentice has given their consent for this to be shared with their employer) and support for English and maths).
- 54. The provider must also discuss and agree with the employer:
  - 54.1. That an apprenticeship is the most appropriate training programme for the individual;

- 54.2. That all relevant prior learning and experience has been identified and properly accounted for in the design of the training plan, which has been adjusted accordingly;
  - 54.3. That the training plan aligns with an approved apprenticeship standard, at the most appropriate level;
  - 54.4. That the individual's job role has a productive purpose and there is a direct link between the selected apprenticeship standard and the individual's job role; and
  - 54.5. How all parties will work together to achieve the apprenticeship (i.e. roles and responsibilities of the provider, employer and apprentice).
  - 54.6. The price of the apprenticeship (see paragraph 139). It must be clear to the employer from the outset how much they will need to contribute (if applicable).
55. The employer must agree to:
- 55.1. Provide the individual with the appropriate support and supervision to carry out both their job role and their apprenticeship (including the end-point assessment);
  - 55.2. Release the apprentice for off-the-job training (and English and maths training if required), as documented in the training plan;
  - 55.3. Provide the apprentice with the opportunity and support to embed and consolidate the knowledge, skills and behaviours, gained through off-the-job training, into the workplace; and
  - 55.4. Take part or provide input into progress reviews.

## Evidence requirements

The provider has:

- Confirmed, after completing the initial assessment (as outlined in paragraph 17), that both the individual and the programme are eligible for funding. The initial assessment and its outcome has been documented and has been agreed with the employer and apprentice. Where the employer is not able to attend the discussion, there must be evidence that they were given the opportunity to contribute (this can be an email from the provider to the employer) and that they have been sent the relevant information after the discussion, for their review and signature.
- Taken account of relevant prior learning and experience, and relevant learning difficulties and / or disabilities, in the design and proposed delivery of the apprenticeship and has explained to the employer and apprentice how this information has informed a tailored training plan.
- Agreed with the employer the conditions listed in paragraph 54\* .

The employer has:

- Agreed to the conditions listed in paragraph 55\*.

\*Agreement to these conditions can be embedded in the signed training plan or the contract for services.

# Programme eligibility

## Overview

### New for 1 August 2023

- 56** The reference to on-the-job training has been removed as this is not included in the apprenticeship funding band.

56. An apprenticeship is a job with training. Through an apprenticeship, an apprentice will gain the technical knowledge, practical experience and wider skills and behaviours that they need to be competent in their immediate job and future career. The apprentice will gain this through:

56.1. Formal off-the-job training (which is the responsibility of the provider); and

56.2. The opportunity to apply these new skills in a real work environment, in a productive job role (which is the responsibility of the apprentice's employer).

57. All new apprentices must start on an approved [apprenticeship standard](#).

57.1. We will fund an apprentice to undertake an apprenticeship at a higher level than a qualification they already hold, including a previous apprenticeship.

57.2. We will fund an apprentice to undertake an apprenticeship at the same or lower level than a qualification they already hold, if the apprenticeship will allow the individual to acquire substantive new skills and the provider can show that the content of the training is materially different from any prior qualification or a previous apprenticeship.

### Evidence requirements

- Where relevant, the provider has used the information gained from the initial assessment to justify an apprenticeship at the same or lower level than a qualification the apprentice already holds (e.g. the personal learning record and the skills scan should provide evidence that such a programme will lead to substantive new skills and that the learning is materially different).

## Employment arrangements (between the employer and the apprentice)

### New for 1 August 2023

- 58** References to apprenticeship training agencies have been removed from this section.
- 58** **Policy update:** The apprentice does not need to spend at least 50% of their apprenticeship duration with the employer whose PAYE scheme they are on, if they are employed by an employment agency or business, and they start their apprenticeship prior to 31 December 2023.

### New for 31 October 2023 - Version 2

- 58.2.4 Policy update:** To allow members of the British Armed Forces to go on a secondment or placement to the NHS for more than 50% of their apprenticeship duration.

58. Unless the apprentice is on an alternative English apprenticeship, the provider must verify that the individual is employed and is working under a contract of employment that is long enough for the apprentice to complete the apprenticeship, including the end-point assessment. The apprentice must be included in the PAYE scheme declared in the apprenticeship service account.
- 58.1. If the apprentice has more than one employer at any time (e.g. two part-time job roles), then only one of these employers can be used for the purposes of the apprenticeship. This is so it is clear who is undertaking the role of 'employer', as defined by these funding rules.
- 58.2. The employer may agree with another organisation (e.g. in their supply chain) to second the apprentice for part of the apprenticeship (subject to all parties agreeing). The apprentice must spend at least 50% of their apprenticeship duration with the employer whose PAYE scheme they are on, unless they are:
- 58.2.1 Employed by a registered Flexi-Job Apprenticeship Agency (see paragraphs 219 to 222);
- 58.2.2 Employed by an employment agency or business, and start their apprenticeship prior to 31 December 2023;
- 58.2.3 Part of the NHS Workforce Sharing Agreement;

- 58.2.4 Members of the British Armed Forces on secondment / placement to the NHS; or
- 58.2.5 Seconded to an organisation who is part of a Pooled PAYE scheme and is therefore unable to access apprenticeship funding in their own right.

## **Evidence requirements**

The provider has:

- Evidenced that the apprentice is employed, and that this contract is for a period of time which is long enough for the apprentice to complete the apprenticeship, including the end-point assessment. This can be a relevant extract from a contract of employment or it could be a signed declaration by the employer.
- Confirmed with the employer that the apprentice is included in the PAYE scheme declared in the apprenticeship service account.
- Confirmed with the employer that any secondment meets the rule / exceptions set out in paragraph 58.

## Apprenticeship agreement (between the employer and the apprentice)

### New for 1 August 2023

- 60** The provider must verify that the apprenticeship agreement is complete and has been signed by both parties (the employer and the apprentice). The same individual must not sign the apprentice agreement as both the employer and the apprentice; the provider must check that there is a separate, identifiable line manager who is undertaking the role of the 'employer'.
- 61** If the apprenticeship agreement is incomplete, or not signed, the individual will not have a valid agreement and the provider will therefore not be eligible to receive funding for them.

### New for Version 1

- 59** We have clarified that the apprenticeship agreement must cover the actual duration of the apprenticeship (e.g. if the apprenticeship is extended, the apprenticeship agreement must also be extended).

59. Unless the apprentice is on an alternative English apprenticeship, the provider must have evidence that the apprentice has an apprenticeship agreement with their employer, from the start of and for the actual duration of their apprenticeship.
- 59.1. This is defined in section A1(3) of the [Apprenticeships, Skills, Children and Learning Act 2009](#) (as amended by the [Enterprise Act 2016](#)) and the [Apprenticeships \(Miscellaneous Provisions\) Regulations 2017](#).
- 59.2. A template [apprenticeship agreement](#) is available on GOV.UK. Where an alternative template is used, the requirements of the legislation as described below (see paragraph 61) must be met when forming an apprenticeship agreement.
- 59.3. The employer must give a copy of the completed apprenticeship agreement to the provider.
60. The provider must check that the apprenticeship agreement between the employer and the apprentice is complete (and that the information regarding the apprenticeship is correct), and that the agreement has been signed by both parties (the employer and the apprentice).



- 60.1. It is prohibited for someone to sign a contract, including an apprenticeship agreement, as both the apprentice and as the employer (even where a limited company, public services company, a partnership, or limited liability partnership has been created to act as a separate corporate entity).
  - 60.2. The provider must check that there is a separate, identifiable line manager who is undertaking the role of the 'employer'.
61. If the apprenticeship agreement is incomplete, or not signed, the individual will not have a valid agreement and the provider will therefore not be eligible to receive funding for them. The apprenticeship agreement must include:
- 61.1. The apprentice's details (name, place of work);
  - 61.2. The apprenticeship standard and level;
  - 61.3. The start and end date of the apprenticeship (these dates include the end-point assessment);
  - 61.4. The start and end date of the practical period (this is the part of the apprenticeship where evidenced learning is delivered; these dates do not include the end-point assessment);
    - 61.4.1 The practical period start date may be the same date as the apprenticeship start date. This is common for existing members of staff who are already employed in their job role when they become an apprentice and begin their training.
    - 61.4.2 If an individual has been recruited specifically into a business as an apprentice, the practical period start date may be later than the apprenticeship start date. This is so the individual can begin their job role first (the apprenticeship start date) and then begin their training (the practical period start date). These dates would usually be no more than 2-3 weeks apart.
    - 61.4.3 The practical period start date aligns with the learning start date in the ILR and the practical period end date aligns with the planned learning end date in the ILR.
  - 61.5. The duration of the practical period (see paragraphs 66 to 70 regarding minimum duration); and
  - 61.6. The amount of time the apprentice will spend in off-the-job training (see paragraph 74).

## Evidence requirements

- The provider has a signed copy of a complete (and therefore valid) apprenticeship agreement (along with any revisions) and that this agreement meets the criteria set out in paragraphs 60 to 61. The agreement has not been signed by the same person, acting as both the apprentice and the employer.

## Alternative English apprenticeship

62. If an apprentice is not directly employed by an employer, the provider must verify that the individual can be funded through an alternative English apprenticeship. These alternative arrangements include:
- 62.1. Apprentices who have been made redundant and are eligible to continue their apprenticeship (see paragraphs 235 to 239);
  - 62.2. Particular office holders, namely constables of English police forces and ministers or trainee ministers of a religious denomination;
  - 62.3. Apprentices taking part in the portable flexi-job apprenticeship pilot (see paragraph 6); and
  - 62.4. Apprentices who are prisoners (see paragraph 23).
63. In relation to these alternative English apprentices, except for the requirement to have evidence of employment and an apprenticeship agreement, the provider and / or the employer must comply with all of the other rules as set out in this document.

## Evidence requirements

- The provider has confirmed that the apprentice meets one of the conditions of an alternative English apprenticeship. In the case of redundancy, the evidence requirements are listed in the redundancy section (paragraphs 235 to 239).

## Apprentice wages

### New for 1 August 2023

- 64** If an employer does not pay an apprentice a lawful wage, the individual is ineligible to receive apprenticeship funding.

### New for Version 1

- 65** We have made it clearer that the provider is only responsible for checking that the employer is paying a lawful wage whilst the apprentice is on the programme.

64. Every apprentice must be paid a lawful wage for the time they are in work and in off-the-job training. The employer is responsible for paying the apprentice's wages and complying with national minimum wage regulations.
- 64.1. The employer must only use the apprentice rate of the national minimum wage from the apprenticeship start date (see paragraph 61) and not before.
- 64.2. If an employer does not pay an apprentice a lawful wage, the individual is ineligible to receive apprenticeship funding.
- 64.3. Where an individual permanently withdraws from the apprenticeship and is no longer an apprentice, the employer must not continue to use the apprentice rate of the national minimum wage. This does not apply to those on a break in learning.
65. The provider must confirm with the employer that the apprentice is being paid a lawful wage whilst they are on the apprenticeship.
- 65.1. Apprentices aged 19 or over who have completed the first year of their apprenticeship must thereafter receive at least the correct national minimum wage for their age.
- 65.2. Further information on the [national minimum wage](#), the apprenticeship rate and the definition of an employee can be found on GOV.UK. or via the [ACAS helpline](#).

## Evidence requirements

- The provider has confirmed with the employer that the apprentice is receiving a lawful wage whilst they are on the apprenticeship. This evidence can be a copy of the employment terms and conditions or a written statement regarding wages on the training plan (which is subsequently signed by the employer).
- The employer has not used the apprentice rate prior to the apprenticeship start date (the date shown on the apprenticeship agreement).

## Minimum duration and employment hours

### New for 1 August 2023

- 70** Any apprentice, including those who are part-time or on a zero-hours contract, can complete their apprenticeship training earlier than their learning planned end date, where it is practical and possible to do so, provided the minimum duration (12 months) and the minimum off-the-job hours for the actual time in training have been met.

## Minimum duration of practical period

66. The provider must confirm that, after all relevant prior learning and experience has been taken into account, the apprenticeship practical period lasts for a minimum duration of 12 months. For example, to satisfy this requirement, an apprentice who starts their training on 1 August 2023 must still be receiving training on 31 July 2024.
- 66.1. The [apprenticeship standard](#) specification or assessment plan may require this practical period of training to be longer, to support the delivery of the full apprenticeship content.
- 66.2. The end-point assessment can only be taken after the minimum duration has been met.
- 66.3. The minimum duration of each apprenticeship is based on the apprentice working at least 30 hours per week, including any off-the-job training they undertake. Working fewer than 30 hours per week or having a zero-hours contract must not be a barrier to successfully completing an apprenticeship.

## Episodes of learning below the minimum duration requirement

67. The only circumstances in which an episode of apprenticeship learning can fall below the minimum duration requirement are set out below. For these, the provider must have evidence that the total amount of time spent on the apprenticeship, which may include more than one episode of learning, meets the minimum duration requirement. Circumstances include where the apprentice:
- 67.1. Is made redundant with more than six, but less than 12 months remaining before their final day;
  - 67.2. Transfers onto a newer version of the same apprenticeship standard (where the ST standard code remains the same);
  - 67.3. Transfers between main providers but remains on the same apprenticeship standard; or
  - 67.4. Returns to the same apprenticeship after a break in learning or withdrawal.

### **Part-time employment hours (<30 hours per week) and zero-hours employment contracts**

68. If, at the beginning of the apprenticeship, the apprentice works fewer than 30 hours a week, or has a zero-hours contract, the provider must extend the expected duration of the apprenticeship, using one of the formulas below, and must work with the employer to make sure that the dates on the apprenticeship agreement and training plan are also extended:
- 68.1.  $12 \times 30 / \text{average weekly hours} = \text{new minimum duration (months)}$ ; or  
 $52 \times 30 / \text{average weekly hours} = \text{new minimum duration (weeks)}$
  - 68.2. Zero-hours contracts are only acceptable where all of the other funding rules can be met.
69. Where there is a change to the working hours of the apprentice during the apprenticeship, the provider should refer to the change of circumstances section.
70. Any apprentice, including those who are part-time or on a zero-hours contract, can complete their apprenticeship training earlier than their extended learning planned end date, where it is practical and possible to do so, provided the minimum duration (12 months) and the minimum off-the-job hours for the actual time in training have been met.

## Evidence requirements

The provider has:

- Confirmed, following an initial assessment, that the individual requires an apprenticeship practical period that meets the minimum duration of 12 months, after any relevant prior learning has been recognised. This can be evidenced via the dates on the ILR and associated paperwork.
- For the circumstances described in paragraph 67, evidenced that the total amount of time spent on the apprenticeship, which may include more than one episode of learning, meets the minimum duration requirement.
- Where the apprentice works part-time (fewer than 30 hours per week) or is on a zero-hours contract, extended the minimum duration as required. The provider has evidence of the apprentice's working hours to validate this extension.

## Off-the-job training

### New for 1 August 2023

- 73** Examinations and other testing must not be included as off-the-job training. These do not meet the definition of new learning.
- 74** Only statutory leave is deducted as part of the off-the-job calculation. The apprentice's own annual leave entitlement, which may be higher than the statutory leave allowance, must not be used in the calculation.
- 76** All planned off-the-job training activity (not just shadowing / mentoring) must be agreed in advance of delivery.
- 79** The provider is ultimately responsible for the delivery of all off-the-job training, even if this training is delivered by another party.
- 80** **Policy change:** Some active learning (off-the-job training or English / maths training) must take place in every calendar month of the practical period. A break in learning must be used where there is no plan for active learning to take place within a calendar month. The only exception to this is for those apprentices with a term-time only contract, where we do not require a break in learning for the month of August. When the training documented on the training plan is complete, the practical period is complete.

### New for Version 1

- 72** We have considered feedback and now included 'revision' in the list of what can be included as off-the-job training. The revision must be specifically required for the achievement of the apprenticeship.
- 80** We have confirmed that the policy change re active learning every calendar month will apply to new starts and to existing learners on programme on 31 July 2023.
- 80** We have clarified that if planned off-the-job training is unable to take place as scheduled in any calendar month, a retrospective break in learning is not required, as long as there is active learning in the following calendar month. All missed activity must be re-planned and delivered, so that the full content of the training plan can still be delivered.

## What is off-the-job training?

71. Off-the-job training is a statutory requirement for an English apprenticeship. The provider must verify that the off-the-job training delivered to the apprentice meets the following definition:
  - 71.1. It is training which is received by the apprentice within their practical period, during the apprentice's normal working hours, for the purpose of achieving the knowledge, skills and behaviours of the apprenticeship they are undertaking. By normal working hours we mean the hours for which the apprentice would normally be paid, excluding overtime.
  - 71.2. It is not on-the-job training, which is training received by the apprentice for the sole purpose of enabling the apprentice to perform the work for which they have been employed. By this we mean training that does not specifically link to the knowledge, skills and behaviours set out in the apprenticeship.
  - 71.3. Further information about [off-the-job training](#) can be found on GOV.UK.

## What can be included?

72. The provider must ensure that off-the-job training delivers new skills that are directly relevant to the apprenticeship standard. Off-the-job training can include:
  - 72.1. The teaching of theory (e.g. lectures, role playing, simulation exercises, online learning and manufacturer training);
  - 72.2. Practical training (e.g. shadowing, mentoring, industry visits and participation in competitions);
  - 72.3. Learning support;
  - 72.4. Time spent writing assignments; and
  - 72.5. Revision (where this is specifically required for achievement of the apprenticeship).

## What must not be included?

73. The provider must ensure that the following activities are not included as off-the-job training:
  - 73.1. Initial assessment and onboarding activities;
  - 73.2. English and maths training (where this is required, this must be delivered in addition to the minimum off-the-job training requirement);



- 73.3. Training to acquire knowledge, skills and behaviours that are not required by the apprenticeship standard;
- 73.4. Progress reviews;
- 73.5. Examinations and other testing (e.g. on-programme assessments linked to a qualification, mock EPA testing); and
- 73.6. Training which takes place outside the apprentice's normal working hours;
  - 73.6.1 If off-the-job training must, by exception, take place outside of these hours, the apprentice must agree and be compensated for this arrangement (e.g. time off in lieu or an additional payment). The majority of the training must not be delivered in this way.

## Calculating off-the-job training

- 74. The provider is responsible for calculating the volume of off-the-job training required by the apprentice and agreeing this with the employer. This volume must comply with the minimum policy requirement set out below:

### Full-time apprentices: (those that work 30 hours per week or more)

- 74.1. To be eligible for government funding the apprentice must spend at least 20% of their normal working hours (capped at 30 hours per week for funding purposes only), over the planned duration of the apprenticeship practical period, on off-the-job training. This means that the minimum requirement, for apprentices working 30 hours or more per week is an average of 6 hours of off-the-job training per week (i.e. 20% of 30 hours) over the planned duration.
- 74.2. When calculating the required amount of off-the-job training, the apprentice's statutory leave entitlement must be deducted. Employees who work a 5-day week receive 28 days paid statutory leave (20 days annual leave plus 8 bank holidays, which is the equivalent of 5.6 weeks of holiday). The apprentice's own annual leave entitlement, which may be higher than the statutory leave allowance, must not be used in the calculation.
- 74.3. Therefore, for a full-time apprentice following a 12 month apprenticeship, off-the-job training is delivered over 46.4 weeks (52 weeks minus 5.6 weeks of statutory leave). This provides, as a minimum, 278 hours of off-the-job training (46.4 weeks x 6 hours).

- 74.4. This formula must be adapted proportionally for longer duration apprenticeships (the example given above is for a 12 month apprenticeship standard only).

### **Part-time apprentices (those that work less than 30 hours per week):**

- 74.5. If the apprentice works fewer than 30 hours per week, they are considered to be part-time and their duration must be extended (using the formula set out in paragraph 68). For example, for a part-time apprentice working 15 hours per week, who is following a typical 12 month apprenticeship standard, the planned duration would be extended to 24 months.
- 74.6. To be eligible for government funding the apprentice must spend at least 20% of their normal working hours, over this planned and extended duration of the apprenticeship practical period, on off-the-job training. When calculating the required amount of off-the-job training, the apprentice's statutory leave entitlement must be deducted.
- 74.7. Overall, the minimum off-the-job training requirement for a part-time apprentice must be no less than the minimum requirement for a full-time apprentice (i.e. a minimum of 278 hours for a typical 12 month apprenticeship). Less training is delivered on average per week but over an extended duration.

### **Apprentices with term-time only contracts**

- 74.8. The minimum off-the-job training requirement for a term-time only apprentice (e.g. such as those in the teaching profession) must be no less than any other apprentice (i.e. 278 hours for a typical 12 month apprenticeship, if the apprentice works 30+ hours per week). Term-time apprentices must also meet the minimum duration requirement.
- 74.9. Off-the-job training for term-time apprentices is calculated as though the apprentice is working 52 weeks per year (minus statutory leave). Once the calculation is made, the training can be delivered across the weeks specified in the contract (usually 39 contact weeks), if this is what has been agreed with the employer. This will mean delivering more than an average of 6 hours per week (for a full-time apprentice) during term-time, in order to meet the minimum requirements of the off-the-job training policy.
75. The provider must ensure that the volume of planned training hours is supported by the initial assessment. Some apprentices and standards will need more than the minimum requirement. Apprentices must receive the volume of high-quality apprenticeship training that they need to develop full occupational competence.

## Documenting off-the-job training

76. All planned off-the-job training activity (including shadowing / mentoring, where this is being used by the employer to deliver off-the-job training) must be agreed in advance of delivery and the provider must document the activity as part of the agreed training plan (for longer programmes see paragraph 86.1.2).
77. The provider must document the number of planned off-the-job training hours, for the full apprenticeship, on the apprenticeship agreement, the training plan and the individualised learner record (ILR). The planned off-the-job training hours figure on the ILR must not be changed once it has been submitted, except for a data input error at the beginning of the programme.
78. Where planned hours have been submitted in the ILR, the provider must also document actual off-the-job training hours, at the end of the practical period or where the apprentice leaves the apprenticeship early as a non-completer.

## Delivering off-the-job training

79. The provider is ultimately responsible for the delivery of all off-the-job training, even if this training is delivered by another party. They must agree with the employer when, where and how the off-the-job training will be delivered.
  - 79.1. The entire apprenticeship must not be fully delivered by self-directed distance learning.
  - 79.2. Off-the-job training must not take place beyond the practical period, in the end-point assessment period of an apprenticeship.
80. The provider is responsible for ensuring that there is a plan for active learning (off-the-job training or English / maths training) to take place in every calendar month of the practical period (from the learning start date to the learning actual end date); this is to keep the apprentice engaged and working towards the achievement of their apprenticeship.
  - 80.1. This rule change (from every 4 weeks to every calendar month) applies to new starts and to existing learners on programme on 31 July 2023.
  - 80.2. A break in learning must be used where there is no plan for active learning to take place within a calendar month. The only exception to this is for those apprentices with a term-time only contract, where we do not require a break in learning for the month of August (i.e. the summer holiday period).

- 80.3. Active learning does not need to be face to face delivery by the provider; it can include any activity that has been agreed and documented as part of the agreed training plan.
- 80.4. Training can still be front-loaded at the beginning of the apprenticeship, delivered in 'blocks', or delivered around employer peak periods, provided there is planned learning activity every calendar month in order to keep the apprentice engaged.
- 80.5. If planned off-the-job training is unable to take place as scheduled in any calendar month, a retrospective break in learning is not required as long as there is active learning in the following calendar month. The provider must ensure that all missed activity is re-planned and delivered, so that the full content of the training plan can still be delivered.
- 80.6. When the training documented on the training plan is complete, the practical period is complete.
81. Some occupations require the provider to be approved by a regulatory body before being able to deliver training for the apprenticeship. We may take action to recover apprenticeship funding where providers have delivered training but do not have the necessary approval.
82. Apprentices on maternity, adoption or shared parental leave may use their statutory keep in touch (KIT / SPLIT) days to continue with off-the-job training during their period of leave (please refer to paragraphs 240 to 249).

## **Evidencing off-the-job training**

83. The provider is responsible for retaining evidence to support both their own delivery and that of others. The evidence must be quantifiable and must meet the off-the-job training definition (namely that it teaches new knowledge, skills and behaviours; is directly relevant to the apprenticeship, takes place in the apprentice's normal working hours; and excludes the activities listed in paragraph 73).
- 83.1. A [template evidence form](#) is available on GOV.UK. It is not mandatory to use this template.

## **Planned hours agreed at the beginning of the apprenticeship versus actual hours delivered**

84. At the end of the practical period, if the training has been delivered over a shorter duration (e.g. 14 months compared to 18 months) AND the actual volume of off-the-job training hours delivered is less than the original volume of planned hours

agreed with the employer, the provider must produce a statement to summarise the following information:

- 84.1. The original volume of planned hours agreed;
  - 84.2. The actual hours of off-the-job training delivered (as supported by proof of delivery);
  - 84.3. The reason for delivering less;
  - 84.4. Confirmation that the apprenticeship still met the minimum duration; and
  - 84.5. Confirmation that the volume of off-the-job training actually delivered met the minimum policy requirement over the apprentice's actual (shorter) time on the apprenticeship.
85. The provider must arrange for the employer and apprentice to sign this statement, to confirm they are satisfied by the quantity of training delivered, even though this was less than the volume originally agreed.
- 85.1. This statement compares the original intent with what was delivered but is not a substitute for the training plan being updated, where necessary, on an ongoing basis (e.g. as a result of progress reviews) (see paragraph 89).
  - 85.2. Where a signed statement is required, this must be completed, signed and made available as part of the evidence pack within 12 weeks of the apprentice completing their apprenticeship. Where this is not available, funds may be at risk of recovery.
  - 85.3. If the apprentice has spent less than the minimum policy requirement (over their actual, shorter, duration) on off-the-job training, then the apprenticeship is not valid and all funding is at risk of recovery.

## Evidence requirements

The provider has:

- Calculated the volume of off-the-job training required by the apprentice and this at least meets the minimum policy threshold. Only the apprentice's statutory leave has been deducted in the calculation.
- Documented the planned volume of off-the-job training hours on the training plan and the ILR and has confirmed that this has also been documented on the employer's apprenticeship agreement. All volumes and dates align.
- Delivered or arranged for the delivery of off-the-job training. There was a plan in place for active learning to take place every calendar month and a break in learning was used where there was no plan. Where the activity was planned but missed in a calendar month (e.g. the apprentice was sick and there was no opportunity to replan in the same month), the missed activity has been replanned and active learning has taken place the following month. Where there is no active learning for 2 consecutive calendar months, a retrospective break in learning has been used.
- Where relevant, been approved by the relevant regulatory body before delivering apprenticeship training and there is evidence of this approval.
- Documented the actual volume of off-the-job training hours on the ILR and this value is supported by proof of delivery. Delivery evidence is quantifiable and meets the definition of off-the-job training given in paragraphs 71 and 72. No ineligible activities as listed in paragraph 73 have been included. The evidence should include a broad description of the activity or the session it relates to (e.g. subject title or module / lesson number) to enable a cross-check against the training plan.
- Where the training has been delivered over a shorter duration (e.g. 14 months compared to 18 months) and the actual volume of off-the-job training hours is less than the original volume of planned hours, produced a statement to explain the difference and this has been signed by all parties.

## The training plan

### New for 1 August 2023

- 86** The training plan must be agreed before any training is delivered (this agreement can be virtual), with a fully signed version of the plan being in place by the end of the 42 day 'qualifying day' period. The plan must detail the total volume of hours to be delivered for the full apprenticeship. Additional content related information can be added as this becomes available.
- 87** We no longer require a brief description of the delivery model and mode of delivery. This should already be clear from the other information included on the plan.

### New for Version 1

- 86** We have clarified (in response to questions) that it is the provider who must lead on the development of the training plan. We have also clarified that the training plan should still be signed prior to delivery if this is possible; the 42 day flexibility is for those circumstances where the discussion has been virtual or via email.

86. The provider is responsible for developing and agreeing a training plan with the apprentice and the employer. The apprentice and employer must be given the opportunity to contribute to this plan.
- 86.1. The broad content of the training plan must be agreed before any training is delivered (see paragraph 87.5). If the provider is able to get a signed training plan in place prior to any delivery, they should do so.
- 86.1.1 Where the initial agreement (of the broad content) is virtual or via email, and the provider is unable to get a signed version of the training plan in place before any training is delivered, the provider must be able to evidence this broad agreement (e.g. an email from the employer) and have a fully signed version of the plan in place by the end of the 42 day 'qualifying day' period.
- 86.1.2 We accept that for longer apprenticeships (i.e. those over 12 months) full content details may not be known at the start. Where this is the case, the signed plan must list the total volume of planned hours (for the entire apprenticeship) with additional content information being added as this becomes available.

- 86.2. Funding can only be claimed from the date on which learning activity that is directly related to the apprenticeship and documented in the training plan begins and can be evidenced.
- 86.3. The training plan and apprenticeship agreement must be separate documents (each document has a different purpose and different signature requirements (i.e. the provider is not a signatory to the apprenticeship agreement but they are a signatory to the training plan)).
- 86.4. A [template training plan](#) is available on GOV.UK. It is not mandatory to use this template. Where an alternative is used, it must comply with paragraph 87 below.
87. The provider must make sure the training plan includes:
- 87.1. The name of the apprentice, their job role and their normal working hours. By normal working hours we mean the number of paid hours they work each week excluding overtime.
- 87.2. Details of all relevant parties (the provider, employer, any subcontractors and the end-point assessment organisation).
- 87.2.1 If the end-point assessment organisation is not known at the start of the apprenticeship, the training plan must be updated as soon as this information becomes available. This must be no later than 6 months before the learning planned end date (see paragraph 104).
- 87.3. Details of the apprenticeship, including the name of the apprenticeship standard, the level, the start and end dates for both the apprenticeship and the practical period of training.
- 87.4. The total volume of planned off-the-job training hours. This must at least meet the minimum policy requirement (see paragraph 74).
- 87.5. Details of the training to be delivered:
- 87.5.1 For standards with a mandatory qualification this must be, as a minimum, a list of the units, along with a description of any additional activities that the apprentice will undertake to develop occupational competency.
- 87.5.2 For standards without a mandatory qualification this must be a description of the activities that the apprentice will undertake to develop occupational competency.



- 87.5.3 It must be clear if the training has been included in the planned off-the-job training hours.
- 87.6. The training plan must not include any content that has been identified and agreed with the employer, as relevant prior learning (see paragraphs 25 to 30).
- 87.7. Details of when content will be delivered.
- 87.8. Details of who is responsible for each component of delivery.
  - 87.8.1 This may include the provider, a subcontractor or the employer. Where this party is accessing apprenticeship funding for the delivery, they must be on the [Apprenticeship Provider and Assessment Register \(APAR\)](#) (unless the exemption at paragraph 191.3 applies).
- 87.9. Written confirmation from the employer that the apprentice will be allowed to undertake off-the-job training within their normal working hours, in addition to English and maths training if required.
- 87.10. Summary details of progress reviews, including the frequency and format, (see paragraphs 88 to 89).
- 87.11. The process for resolving any queries or complaints regarding the apprenticeship. This must include details of the escalation route within the main provider's own organisation and the escalation process to [Apprenticeship Service Support](#) on 08000 150 600 or <mailto:helpdesk@manage-apprenticeships.service.gov.uk>

## Evidence requirements

The provider has:

- A copy of the current training plan, signed and dated by all parties (along with any previous versions) and this meets the criteria set out in paragraph 87 and has been kept up to date with any material changes (e.g. as a result of a change of circumstance or a progress review).
- Evidence that the plan was agreed by all parties prior to training being delivered (where this was agreed virtually / by correspondence, a signed plan was in place by the end of the 42 day qualifying period). Additional content was added to the plan as it became available (e.g. for longer apprenticeships and where options were decided after the programme began).
- Evidence that progress is being made towards the agreed training plan (see off-the-job training section regarding the nature of this evidence).

The employer has:

- Confirmed, as part of the signed plan, that they will allow the apprentice to complete the apprenticeship within their normal working hours, including any English and maths required.

## Progress reviews

### New for 1 August 2023

- 88 Progress reviews must take place at least 4 times per year. These must be carried out at least every 12 weeks (unless there is an evidenced delivery reason, such as module length, to adopt an alternative frequency). Alternative frequencies must be agreed with the employer.
- 88 If the employer is unable to attend they must be given the opportunity to contribute and must also be sent relevant information after the meeting, for review and signature.
- 88 The progress review can be virtual (e.g. using Teams).

### New for Version 1

- 88 We have confirmed that the policy change re the frequency of progress reviews will apply to new starts and to existing learners on programme on 31 July 2023.

### New for 31 October 2023 - Version 2

- 89.4 We have clarified the circumstances where we expect a revised training plan to also be agreed and re-signed by the employer. Changes to the training plan that fall outside of these examples do not need an employer signature.

- 88. During the practical period, the provider must undertake a progress review, to discuss the progress to date of the apprentice against their training plan, at least 4 times per year. These must be carried out at least every 12 weeks, unless there is an evidenced delivery reason, such as module length, that means an alternative frequency (i.e. fewer than 4 per year) is more appropriate. Where an alternative frequency is applied, the provider must be able to evidence that this has been agreed with the employer.
  - 88.1. This rule change (from every 12 weeks to at least 4 times per year, or an alternative evidenced frequency) applies to new starts and to existing learners on programme on 31 July 2023.
  - 88.2. The review must be a three-way discussion involving the provider, employer and the apprentice. Progress reviews can be face to face, virtual (for example using 'Microsoft Teams') or can be via email.
  - 88.3. If the employer is unable to attend they must be given the opportunity to contribute and must also be sent relevant information after the discussion. This must not become the default position; for each

individual apprentice, the employer must attend, either physically or virtually, in the majority of occurrences.

88.4. In all cases, whether the employer attends or not, a summary of the discussion must be agreed and signed by all three parties.

88.5. The progress review is different to the required monthly check associated with learning support funding (see paragraph 36.4).

89. The provider must ensure that the progress review:

89.1. Checks progress against any actions agreed at the previous review, including any training that has been delivered since the last review;

89.2. Allows for any off-the-job training evidence, particularly that which is outside of the provider's control, to be discussed, agreed, documented or collected;

89.3. Checks overall progress of the apprentice against their agreed training plan, and that any slippage against the volume of planned off-the-job training is documented;

89.4. Provides for an opportunity to update the training plan;

89.4.1 We only expect the training plan to be agreed and re-signed by the employer where a) new content is added or removed; b) the planned learning end date has changed; or c) any re-planned off-the-job training (that was missed or not delivered) has a key impact on the hours which employers need to release learners for in future.

89.4.2 Changes to the training plan that fall outside of the examples above do not need an employer signature.

89.5. Allows for any concerns and / or new information (e.g. changes of circumstance) to be discussed. This could also include any additional relevant prior learning or learning support needs that have come to light since the original initial assessment. Changes to the training plan may require the price to be renegotiated; and

89.6. Agrees and documents actions for the next review.

## **Evidence requirements**

- The provider is undertaking and documenting progress reviews in accordance with paragraphs 88 to 89 and that the agreed outcome or actions of these reviews are signed by all parties in attendance. Where the employer is not able to attend, there must be evidence that they were given the opportunity to contribute and have been sent relevant information after the discussion, for review and for signature.

# What can be funded?

## Eligible costs

### New for 1 August 2023

**91** The dairy technologist standard no longer mandates a residential component, therefore this eligible cost has been deleted.

90. The provider must ensure that funds from an employer's apprenticeship service account or government-employer co-investment are only used for eligible costs directly related to the individual apprenticeship, up to the funding band maximum.

90.1. Eligible costs for training and on-programme assessment are agreed by the provider and the employer and are included, by the provider, in field TNP1 (on the ILR).

90.2. Eligible costs for end-point assessment, as set out in the [Conditions of Acceptance](#), are agreed by the employer and the end-point assessment organisation and are included, by the provider in field TNP2 (on the ILR) but only when the cost is known (estimate costs must not be entered).

91. For providers delivering training and on-programme assessment (field TNP1), eligible costs are limited to the following:

91.1. Initial assessment:

91.1.1 Initial assessment to confirm learner and programme eligibility.

91.1.2 Administration related to the subsequent enrolment (onboarding) of the apprentice. This can include the collection of evidence to support the initial assessment, supporting the employer with their apprenticeship service account and to complete the apprenticeship agreement; and developing and agreeing the training plan with the employer and apprentice.

91.2. Off-the-job training (that meets the definition in paragraphs 71 to 85):

91.2.1 Relevant tutor costs (salary, on-costs, travel and subsistence claims). By on-costs we mean employer pension contributions and national insurance. Travel and subsistence costs must directly relate to apprenticeship delivery.

- 91.2.2 Necessary delivery location costs (room hire or a proportionate contribution to the necessary facilities and overheads (i.e. water, electricity, gas), that enable the delivery of the documented off-the-job training to take place).
- 91.2.3 Learning materials used in the delivery of the apprenticeship (e.g. printed, audio / visual and electronic / interactive materials), including any relevant software licences to access these materials where the licence cost is at apprentice level. Learning materials can be developed in-house or bought from a third party and can be refreshed periodically (e.g. to respond to revisions in the standard, learner and employer feedback).
- 91.2.4 All training associated with a mandatory qualification. These qualifications comply with the mandatory qualifications policy and so will be fully funded; by this we mean we will fund all training content plus any peripheral costs, such as registration, on-programme assessment, examination and certification.
- 91.2.5 Relevant training associated with a non-mandatory qualification. For these qualifications we will only fund relevant training, where there is a clear overlap between the qualification content and the knowledge, skills and behaviours needed for the apprenticeship; we will not fund training that is not relevant to the standard, or the registration, on-programme assessment, examination, or certification costs.
- 91.2.6 Costs of an employer supporting or mentoring an apprentice, where this is required by the standard and part of the agreed training plan; by this we mean the delivery of knowledge, skills and behaviours directly linked to the apprenticeship. The direct link must be documented as part of the off-the-job training evidence. (Note to receive apprenticeship funding, the employer must be on the Apprenticeship Provider and Assessment Register (unless the exemption at paragraph 191.3 applies)).
- 91.2.7 Additional learning required to re-sit an exam linked to either a mandatory qualification or an end-point assessment.
- 91.2.8 Costs of an apprentice taking part in any skills competition if the employer and provider have agreed that participation in

the competition directly contributes to helping that individual achieve the apprenticeship.

91.3. Materials and consumables:

91.3.1 Necessary physical materials (non-capital items) used in the delivery of the apprenticeship. By this we mean the equipment or supplies necessary to enable a particular learning activity to happen (e.g. perishable ingredients for a catering apprenticeship). These items would not normally have a lifespan beyond the individual apprenticeship being funded. Personal protective equipment that is exclusively used in the off-the-job training environment can also be included.

91.4. Peripheral costs including assessment:

91.4.1 Progress reviews involving the provider, employer and apprentice to collectively discuss progress to date of the apprentice against the training plan and the immediate next steps required.

91.4.2 Peripheral costs associated with a mandatory qualification. These include registration, formative on-programme assessment costs, examination and certification costs, plus the cost of one re-sit (per mandatory qualification) where needed.

91.5. Programme governance, management and administration (directly linked to training and assessment, including the end-point assessment):

91.5.1 The costs relating to lesson planning, quality assurance and the management of subcontractors.

91.5.2 Proportionate salary and on-costs of staff who are directly involved in the programme governance, management and administration of the apprenticeship.

91.5.3 Administration costs of arranging the end-point assessment.

91.5.4 The costs of collecting and reporting employer co-investment.

91.5.5 The costs of using an apprenticeship software system to return management information (e.g. salary and on-costs of management information staff and the software licences to operate the MI system).



91.5.6 For the nursing associate apprenticeship only, the costs of hosting an external placement. Note that hosting fees are separate from the delivery costs of training and on-programme assessment during a placement (see paragraph 94).

92. The majority of main providers will operate on commercial terms and will expect to create a surplus (profit); a surplus ensures the financial viability of a business and can provide funds for example to fund ineligible costs, improve facilities and services and remain competitive. This is a legitimate approach to take. A surplus (profit) can be made on eligible costs, except for:

92.1. Items that are procured from external sources. For example, if £500 of materials are bought to be used in the delivery of training (e.g. perishable ingredients for catering apprenticeships), additional profit must not be charged on the £500 price of these materials.

92.2. Delivery that is procured from a subcontractor. Note that this only relates to the specific fees charged by that subcontractor; a provider can still cover the costs of managing the subcontractor under the eligible cost of 'Programme governance, management and administration'.

93. Employers, including employer-providers, who are able to access apprenticeship funding, can only claim actual costs and must not make a profit from apprenticeship delivery to their own staff or those of a connected company or charity.

94. Any of the eligible costs outlined in paragraph 91 can be bought in by the provider from a third party, including the apprentice's employer and we will fund them.

94.1. Where the provider buys in the delivery of apprenticeship training and / or on-programme assessment from a third party (including the apprentice's employer) this is subcontracting and the provider must follow the subcontracting rules in paragraphs 181 to 218.

94.2. Funds from an employer's apprenticeship service account or government co-investment must not be used to fund other services (not listed above).

## Evidence requirements

- The provider has broken down the total negotiated price associated with the delivery of training and on-programme assessment (TNP1), and agreed with the employer, against the 5 key headings of the eligible costs section (listed in paragraph 91). Only eligible costs have been included. They can do this within the contract for services where appropriate.
- The provider has entered the agreed price for end-point assessment (if known) in TNP2 on the ILR and has not used an estimate.

## Ineligible costs

### New for 1 August 2023

- 95** The accommodation cost has been updated as a result of the change in the Dairy Technologist standard. All accommodation, including that related to outward-bound activities, is now ineligible.
- 95** We have clarified that uniforms and component parts of capital items are ineligible costs.

### New for Version 1

- 95** We have clarified that additional learning required to re-sit an exam linked to a non-mandatory qualification is ineligible. (Additional learning linked to a mandatory qualification remains an eligible cost).

- 95. For providers in the delivery of training and on-programme assessment, ineligible costs include the following:
  - 95.1. Specific services/costs not related to the delivery and administration of the apprenticeship (typical 'provider' costs):
    - 95.1.1 Lead generation activities (learner and employer recruitment). This includes marketing and promotion activities, the use of internal sales teams or external referral services (e.g. brokers, consultants); and the costs paid to employers, or their representatives, associated with procurement registers or other opportunities to secure business (e.g. memberships).

- 95.1.2 First-contact activity / light touch pre-screening activity that may take place prior to a full initial assessment. This includes information, advice and guidance delivery to individuals deemed not suitable for an apprenticeship.
  - 95.1.3 The recruitment (including DBS checks) and continuing professional development of provider staff.
  - 95.1.4 Development of original teaching materials related to a new apprenticeship offer. By this we mean the first time a provider chooses to deliver a new apprenticeship standard.
  - 95.1.5 Provider / subcontractor induction activities. This may include outlining behaviour expectations and issuing the apprentice with any workbooks, contact details, logins and passwords.
  - 95.1.6 Student support services, graduation ceremonies and celebration events.
  - 95.1.7 Wider business costs. This includes insurance, rent / rates, utilities (water, electricity, gas), building maintenance, phone systems, library service.
  - 95.1.8 The cost of non-apprenticeship personnel (e.g. finance, HR, procurement), where these costs are not directly attributable to the apprenticeship.
- 95.2. Specific services / costs not related to the delivery and administration of the apprenticeship (typical 'employer' costs):
- 95.2.1 Apprentice wages / benefits.
  - 95.2.2 Apprentice travel and subsistence costs (including travel to off-the-job training).
  - 95.2.3 All accommodation costs associated with off-the-job training, including outward-bound activities.
  - 95.2.4 Personal protective clothing / uniforms and safety equipment required by the apprentice to carry out their day-to-day work.
  - 95.2.5 The recruitment (including DBS checks) and continuing professional development of employer staff involved in apprenticeships.
  - 95.2.6 Employer induction activities for the apprentice.
  - 95.2.7 Flexi-job apprenticeship agency fees.

- 95.2.8 Student membership fees that are required by professional bodies, even where linked to a mandatory qualification.
- 95.2.9 Any fees to awarding bodies for non-mandatory qualifications (qualifications that are not specifically listed in the standard). This includes registration, examination, certification and re-sit costs.
- 95.2.10 Additional learning required to re-sit an exam linked to a non-mandatory qualification.
- 95.2.11 Re-sit costs for a mandatory qualification, beyond the first re-sit (which is eligible).
- 95.2.12 Any training (e.g. optional modules, educational trips, industry visits, expert speakers or trips to professional events), in excess of that required to pass the end-point assessment and achieve the apprenticeship.
- 95.2.13 Time spent by employees / managers supporting or mentoring apprentices, where this is not delivering training required as part of the apprenticeship (i.e. generic line management responsibilities).
- 95.2.14 The creation of line manager resources.
- 95.3. End-point assessment costs incurred by the provider, including invigilation:
  - 95.3.1 All costs related to the end-point assessment (except for the administration of arranging the assessment) must be included in the price negotiated between the employer and the end-point assessment organisation (TNP2 field on ILR) and not included in the cost of training (TNP1 field on ILR).
- 95.4. English and maths up to level 2:
  - 95.4.1 English and maths qualifications; these are funded separately and must not be included in the TNP1 price.
- 95.5. Learning support:
  - 95.5.1 The costs associated with any further detailed assessment for learning support (see paragraph 31 to 38).
  - 95.5.2 Learning support payments; these are funded separately and must not be included in the TNP1 price.

- 95.6. Repeating the same regulated qualification where the apprentice has previously achieved it:
  - 95.6.1 Unless it is a requirement of the apprenticeship or for any GCSE where the apprentice has not achieved grade C, or 4, or higher.
- 95.7. Examinations and other testing, such as on-programme assessments (linked to a qualification) and mock testing (relating to the end-point assessment).
- 95.8. Capital:
  - 95.8.1 Capital purchases including lease agreements. Capital purchases are long-term assets that would have a lifespan beyond the apprenticeship being funded, such as land, buildings, machinery and ICT equipment (e.g. tablets and similar electronic devices and the purchase / set-up costs of an MI / e-portfolio system).
  - 95.8.2 Maintenance of capital purchases and component parts. This includes machinery / vehicle parts and labour, insurance and servicing / MOT.
  - 95.8.3 Depreciation.
- 95.9. Financial inducements:
  - 95.9.1 Financial inducements, or any other payment not authorised by us, must not be paid to an apprentice, employer, another training provider or to an end-point assessment organisation in relation to any part of the apprenticeship. This includes bonus payments to apprentices or employers for starting or completing an apprenticeship. Where an employer tenders for apprenticeship provision, training extras in excess of the apprenticeship requirements must not be included in the price.
  - 95.9.2 Providers and subcontractors must not seek or accept financial inducements in relation to the apprenticeship.
- 96. The ineligible costs listed above must not be included by the provider in the price that they agree with the employer.
  - 96.1. If the provider (main provider) chooses to use the profit (surplus) that a commercial provider can legitimately earn from eligible costs, on any of these activities, they can choose to do so.

## Evidence requirements

- The provider has not included any ineligible cost (listed in paragraph 95) in the total negotiated price associated with the delivery of training and on-programme assessment (TNP1), as agreed with the employer.

## Additional payments for employers, providers and apprentices

### New for 1 August 2023

**98.1** - We will increase the apprenticeships care leavers' bursary to £3,000, for new starts from August 2023.

**101** - We have removed the responsibility on providers to ensure that their apprentice has not received this care leaver bursary previously.

### New for 17 June 2024 - Version 4

**98.3 Policy update** – To reflect the changes to the co-investment policy we have confirmed that providers should only record the co-investment waiver, within the ILR, for starts prior to 1 April 2024.

## Eligibility criteria

97. The provider and the employer will receive an additional £1,000 payment towards the additional cost associated with training if, at the start of the apprenticeship, the apprentice is:
- 97.1. Aged between 16 and 18 years old (or 15 years of age if the apprentice's 16th birthday is between the last Friday of June and 31 August); or
  - 97.2. Aged between 19 and 24 years old and has either an Education, Health and Care (EHC) plan provided by their local authority and / or has been in the care of their local authority as defined in paragraph 98.2.

Employer-providers can receive both employer and provider payments if the apprentice meets the eligibility criteria.

98. The provider must provide all 16–24-year-old apprentices the opportunity to declare their eligibility for the care leaver bursary.

- 98.1. Apprentices, who start their apprenticeship on or after 1 August 2023, are eligible to receive a £3,000 bursary if they have been in the care of a UK local authority as defined below.
- 98.2. A child in care is defined as:
  - 98.2.1 An eligible child – a young person who is 16 or 17 and who has been looked after by a UK local authority / health and social care trust for at least a period of 13 weeks since the age of 14 and who is still looked after;
  - 98.2.2 A relevant child – a young person who is 16 or 17 who has left care within the UK after their 16th birthday and before leaving care was an eligible child; or
  - 98.2.3 A former relevant child – a young person who is under the age of 25 who, before turning 18, was either an eligible or a relevant child.
- 98.3. Where the apprentice is aged between 19 and 24 years old, at the start of their apprenticeship (see paragraph 97.2), providers must obtain consent from the apprentice to inform their employer that they have an EHC plan or that they have been in the care of their local authority.
  - 98.3.1 Where an apprentice does not want to inform their employer that they have an EHC plan or that they were previously in care, this must be reported in the ILR. This will generate the funding for the provider but not the employer. For starts prior to 1 April 2024, providers must not apply or record the co-investment waiver (see paragraphs 143 to 144) in the ILR.

## **Payment of claims**

99. The provider and employer additional payments will be generated, (and paid via the provider) as follows:
  - 99.1. 90 days after the apprentice starts, 50% will be paid if the apprentice is still undertaking their apprenticeship; and
  - 99.2. 365 days after the apprentice starts, the remaining 50% will be paid if the apprentice is still undertaking their apprenticeship.

Where a break in learning occurs, please refer to paragraph 234.2.

100. The care leavers' bursary payment, due to the apprentice, will be generated (and paid via the provider) as follows:

- 100.1. 60 days after the apprentice starts, £1,000 will be paid if the apprentice is still undertaking their apprenticeship;
- 100.2. 120 days after the apprentice starts, £1,000 will be paid if the apprentice is still undertaking their apprenticeship; and
- 100.3. 300 days after the apprentice starts, £1,000 will be paid if the apprentice is still undertaking their apprenticeship.

Where a change in circumstances or a break in learning occurs, please refer to paragraphs 101.1 and 234.3.

101. The care leaver bursary is a one-off claim. An eligible apprentice must only receive the bursary once. We also monitor this to ensure that the apprentice receives this bursary only once and may reclaim duplicate payments.
  - 101.1. Where an apprentice, who is eligible to receive a bursary of £3,000, leaves their apprenticeship before receiving the full bursary, they will still be entitled to further payments on a new apprenticeship until they have received £3,000 in total.
102. The provider must pass the payments on, in full, to the employer and / or apprentice within 30 working days of receiving the funding from us. Where an apprentice is employed by a Flexi-Job Apprenticeship Agency (FJAA), any applicable employer additional payment must be paid to the FJAA.
103. Where the provider has been unable to pass the additional payment onto the employer (for example, the employer has not responded to numerous requests for their bank details) then this payment must be returned to us. On the Earnings Adjustment Statement (EAS) the provider will need to enter the payment as a negative Authorised Claim. The adjustment type would be "Authorised Claims - Additional payments for employer". Information can be found in the [EAS Guidance](#).



## Evidence requirements

Before any payment is claimed for and paid there is confirmation of eligibility for any additional payment and / or care leaver bursary. This includes (1) confirmation of age; (2) a signed letter or email confirmation from a local authority confirming the individual's care leaver status; or (3) evidence of an education, health and care (EHC) plan where the apprentice is aged between 19 and 24 years old.

- For the care leavers bursary, a signed declaration by the apprentice to confirm that they: (1) understand that they are eligible for and would like to receive a bursary as a care leaver; (2) understand that if they have been found to have accepted the payment when they are ineligible then government will require it to be repaid; and (3) when claiming the employer additional payment, signed consent from the apprentice that they have provided permission to share their care leaver status (or EHC plan) with their employer on their behalf.
- Evidence of payment being paid to the employer (additional payments) and / or apprentice (care leaver bursary) within the agreed timeframe:
  - For the employer additional payment this must be evidenced within the provider's financial systems (to show transaction of payment) and must include confirmation, to the employer, that this payment has been sent. (Note: we do not require the employer to invoice the provider for this payment). Where the provider has been unable to pass this payment to the employer, the provider must evidence the attempts they have made and confirm that the payment has been returned to us.
  - For the care leaver bursary this must be evidenced within the provider's financial systems (to show transaction of payment) and must include confirmation from the apprentice, that each payment has been received.

## End-point assessments

### New for 1 August 2023

**110** - To clarify rules on when an apprentice changes employer before they have completed their end-point assessment.

**111** - To clarify rules on when there may be a change of end-point assessment organisation after assessment has started.

### New for Version 1

**110** - We have clarified that we will issue further technical details as to how this change should be reported to us including how the provider can claim the completion payment.

### New for 31 October 2023 - Version 2

**104, 105 - Policy update:** To reflect that the provider is now responsible for selecting and negotiating the price with the end point assessment organisation unless the employer wishes to do so.

104. The main provider (in consultation with the employer) must ensure that the apprentice is prepared for and understands the end-point assessment process. Engagement of the end-point assessment organisation can be at any time in the apprenticeship, but to ensure timely delivery of the end-point assessment the dialogue must commence at least 6 months before the planned end date of the apprenticeship. As part of this process all information required for the end-point assessment must be ready to present to the end-point-assessment-organisation for the gateway when it is due.
105. At least 6 months before the apprentice reaches gateway, the main provider (or employer if they have chosen to) must:
  - 105.1. Select an organisation from the [Apprenticeship Provider and Assessment Register \(APAR\)](#) to deliver the end-point assessment; and
  - 105.2. Negotiate a price with the end-point assessment organisation. If the overall price of the apprenticeship is more than the funding band maximum for the standard, then the employer must pay in full the difference between the band maximum and the total negotiated price.
    - 105.2.1 We expect the cost of the end-point assessment will not usually exceed 20% of the funding band maximum. This does not mean that end-point assessment must cost 20%;

the cost of assessment varies between standards and we expect the negotiation with assessment organisations to secure value for money.

106. The employer and provider must ensure that the price agreed, or costs claimed for the apprenticeship includes the amount that has been negotiated with the end-point assessment organisation. This includes any cost of external quality assurance (EQA) of the end-point assessment. Costs for external quality assurance will depend on the EQA provider undertaking it. The employer and provider must ensure that they engage actively with any request for information from the EQA provider, where applicable.
107. The provider must contract with the end-point assessment organisation and lead the relationship with them, including where the delivery of apprenticeship training is subcontracted. This allows them to make payment to the end-point assessment organisation for conducting the end-point assessment. The written agreement must set out the arrangements for sharing relevant information about the apprentice so end-point assessment and certification can take place, including arrangements for any re-takes and payments. This must also include arrangements for a change of circumstances, which may delay, or lead to the cancellation of, the end-point assessment.
108. An apprentice can only take their end-point assessment once they have:
  - 108.1. Met the minimum duration of the apprenticeship (see paragraph 66). The provider must ensure that the entire duration of the apprenticeship standard for both training and end-point assessment is a minimum of 372 days to be eligible for funding;
  - 108.2. Satisfied the gateway requirements set out in its assessment plan (including any specific duration criteria); and
  - 108.3. Their employer (in consultation with the main provider) is content they have attained sufficient skills, knowledge and behaviours to successfully complete the apprenticeship.
109. The apprentice must be employed until the end-point assessment is completed. Consideration must be given to the potential time needed for any re-sit and / or re-training prior to re-taking the end-point assessment so the apprentice remains employed during this time.
  - 109.1. The only exception is where the apprentice has been made redundant and we are funding the apprenticeship to completion. In this case, any new main provider responsible for the completion of the training (if the apprentice transfers) can act as a proxy employer for the purposes of providing any required employer competency statement. This does not

mean the main provider records themselves as the employer in the ILR (see paragraph 109).

110. Where an apprentice has changed employer after they have completed all the training and reached gateway, including where the new job role is not related to the apprenticeship, they may complete the end-point assessment in agreement with the end-point assessment organisation and the provider that it can be satisfactorily taken and paid for. We will issue further technical details as to how this change should be reported to us including how the provider can claim the completion payment.
111. An apprentice may change end-point assessment organisation once assessment has started. This must be agreed with both the employer and provider providing the satisfactory withdrawal from the original end-point assessment organisation as per the contractual agreement. The employer may choose to re-negotiate the price of the end-point assessment with the new EPAO. However, if the overall price is more than the maximum funding band for the standard, then the employer must pay in full the difference between the band maximum and the total negotiated price.
112. Although both the employer and the main provider will be involved in administrative arrangements for assessment, the end point assessment itself must be independent (subject to paragraph 114 below). Some assessment plans give the employer and the training provider specific roles but, except for integrated standards, training providers who have delivered the training cannot assess their own learners.
113. Eligible costs for end-point assessment organisations are set out in the [Conditions of Acceptance](#) document for organisations on the APAR. Once contractual agreement is in place, providers must record the selected EPAO in the Individualised Learner Record (ILR) for every apprentice, once it is known.

## **End-point assessment process for integrated standards**

114. The end-point assessment organisation for an integrated degree standard may be a higher education training provider or a professional body, although to remain independent the assessment must involve someone from the occupation in the delivery and grading decision who has not been involved in the training element of the apprenticeship.
115. Delivery of new learning must not take place during the end-point assessment period.

## Certification

116. The end-point assessment organisation (or the provider, in the case of an integrated standard) is responsible for claiming the apprenticeship completion certificate from us (including for those apprentices who are not funded by us and recorded in the ILR under Funding Model 99).
117. The end-point assessment organisation must not claim the apprenticeship completion certificate from us until they have received evidence from the provider that the apprentice has met all the requirements of the apprenticeship including English and maths.
118. Where applicable the provider must apply for, and give, apprentice's certificates from awarding organisations for achieving a mandatory qualification, and ensure they keep a copy of this in the evidence pack.

### Evidence requirements

The evidence pack must include:

- Evidence of the written agreement with and payments made to the end point assessment organisation for conducting the end-point assessment where appropriate.
- Records and evidence of completion of the end-point assessment. This must be available within three months of providers reporting it in the ILR.
- Evidence of completion would include:
  - Signed statement by employer and provider that the apprentice is still employed until the end-point assessment is completed;
  - Evidence from the EPAO that the EPA has been attempted and either:
    - Achieved and the certificate claimed (this could include a screenshot from the EPAO portal); or
    - Failed (and no resit taken).

## Paying for an apprenticeship

### Funds in an employer's apprenticeship service account

119. All new apprentice starts with both levy and non-levy paying employers must be funded through the apprenticeship service. An employer who does not pay the levy can reserve funds using the apprenticeship service or receive a levy transfer to access apprenticeship funding.
120. Funding for an apprenticeship is determined by whether there are levy funds available in an employer's apprenticeship service account each month. In any particular month:
  - 120.1. If levy funds are available in an employer's account, we will pay the provider 80% of the negotiated price (TNP1 and TNP2) up to the funding band maximum, in equal monthly instalments according to the planned duration of the apprenticeship, regardless of how training is scheduled over the duration of the apprenticeship.
  - 120.2. If the employer does not have levy funds in their apprenticeship account (non-levy payers and levy payers with insufficient funds), we will pay the provider 80% of the government co-investment funding in equal monthly instalments (up to the funding band maximum) according to the planned duration of the apprenticeship, regardless of how training is scheduled over the duration of the apprenticeship. Our monthly instalments will need to be matched with equivalent employer co-investment payments (set at the rate at the time the apprenticeship started), with main providers evidencing this throughout the financial year.
121. We will pay the remaining balance (the completion payment) of the total negotiated price, up to the funding band maximum, to the provider when the apprentice has undertaken all the activity relevant to the apprenticeship, including completing all elements of the end-point assessment.
122. Deductions from the employer's apprenticeship service account will mirror these payments where funds are available.
123. Where apprenticeship training is not funded from an employer's levy funds (i.e. non-levy payers and levy payers with insufficient funds), for main providers to be eligible for the completion payment (described in paragraph 121) they must have:
  - 123.1. Collected the co-investment from the employer; and
  - 123.2. Reported the cash value of the employer co-investment on the ILR.

## Use of an employer's apprenticeship service account

124. Employers must only add PAYE schemes for themselves or their connected companies or charities (according to HMRC's definition) to their apprenticeship service account.
  - 124.1. Public bodies cannot usually be connected for apprenticeship levy purposes. If an employer is a public body, they must only add the PAYE scheme or schemes for one employer, that is, a government department, local authority, or non-ministerial department.
  - 124.2. There are some exceptions where public bodies are considered to be corporate bodies, companies, or charities. If an organisation is connected, as defined by HMRC employment allowance connection rules and shares one apprenticeship levy allowance, then an account could be set up with another connected employer.
125. We will monitor accounts to check that PAYE schemes are properly used. If we have any questions, we may ask employers to provide evidence that the employers sharing an apprenticeship service account are connected.
126. Employers must:
  - 126.1. Remove PAYE schemes from their apprenticeship service account that are no longer operated by the employer associated with the account (or leaves the group of connected companies);
  - 126.2. Manage users associated with their account including:
    - 126.2.1 Ensuring that individuals who are employed, or acting on behalf of the provider, are not given access to the employer's apprenticeship service account;
    - 126.2.2 Controlling who can add users; and
    - 126.2.3 Removing users who are not authorised to act on their behalf.
127. Employers are responsible for recording and / or approving the required details of the apprenticeship in their account. Employers can give the provider permission to enter the information (via their provider account) on their behalf, however employers will need to authorise the apprentice details in order to release funding. Providers must not have access to an employer's apprenticeship service account, unless operating as an employer-provider.
128. Employers must not allow any third party to authorise payments through their apprenticeship service account.

129. To be funded from the apprenticeship service account, the data entered into the apprenticeship service account must correspond with the information submitted by the provider to us each month through the ILR. Payments to the provider will only be made if these details match.
- 129.1. If we withhold payments to the provider because there is not a match, we will reconcile the payments due to the provider when the data matches and make the corresponding changes within the apprenticeship service account.
130. Employers are responsible for making accurate declarations to HMRC that we will use to manage their apprenticeship service account. If, as a result of retrospective changes to the amount of apprenticeship levy declared to HMRC, there is an overpayment by us to the provider, we may ask employers to pay us the employer co-investment value based on the rate in place when the apprenticeship started - we will provide employers with details of this as required.
- 130.1. Where there would have been insufficient funds in the employer's apprenticeship service account, we will take responsibility for these payments and the employer will be required to pay co-investment direct to us. If this happens, we will provide details of the co-investment value to providers, as this may be needed for accounting purposes.
131. Employers whose organisation is subject to structural changes, including mergers and acquisitions, must contact us to inform us of these changes.

## Reservation of funds by non-levy employers

### New for 31 October 2023 - Version 2

**133 Policy update:** We have updated this section to reflect that reservations can be backdated by one calendar month.

132. Employers, who do not pay the levy, can reserve funds using the apprenticeship service to access apprenticeship funding. More information on reservation of funds can be found in the [Reservation of funds guidance](#) on GOV.UK.
133. Employers who are planning to use reserved funds to fund an apprentice, should reserve funds in advance of recruitment, or an offer of an apprenticeship being made to an existing employee. In cases where that is not possible, employers must reserve funds within one calendar month of the apprenticeship starting (i.e., the reservation can be backdated by one calendar month).



134. Reservations can only be used for:
- 134.1. New apprenticeship starts; and
  - 134.2. Re-starts where the apprenticeship was previously funded via contracted provision and following redundancy, or provider failure, needs to be funded via a reservation to allow an apprentice to continue / complete their apprenticeship with a new employer.
135. Reserved funds are classed as government-employer co-investment and all rules associated with government-employer co-investment must be followed when using reserved funds; please see paragraphs 142 to 152.
136. Providers cannot submit an ILR where funds have not been reserved for a start or re-start and a commitment has not been made for an apprentice, with matching details.
137. Reservations will expire if they are not used within 3 months of the start date detailed within the reservation. If the reservation expires before the apprentice starts, the employer must make a new reservation.
138. If a change of circumstance occurs that results in the need for a new reservation on the apprenticeship service, the employer (or the provider) must contact [apprenticeship service support](#).

## The price of an apprenticeship

### **New for 1 August 2023**

- 139** Any funding band change will only apply to new starts and not apply to apprentices already engaged on an apprenticeship.

### **New for Version 1**

- 139** As part of the contract for services it must be clear how much the employer will be expected to contribute (if applicable).

139. The provider must agree a contract for services with the employer and this must include a price for the total cost of each apprenticeship (including the cost of the end-point assessment).
- 139.1. Any savings from the recognition of prior learning or from further price negotiation (e.g. due to cohort size) must come from within the funding band.

- 139.2. It must be clear how much the employer will be expected to contribute (if applicable).
- 139.3. The agreed price that is entered into the ILR and the apprenticeship service must be the same. These prices must not include any VAT (although VAT may be charged on employer co-investment).
- 139.4. Where the details of the end-point assessment organisation are not known at the start of the apprenticeship, these must be entered (in TNP2) once they have been confirmed. This field in the ILR must be left blank until the price of the end-point assessment has been confirmed to ensure accuracy.
- 139.5. The funding bands and the standards placed within them, may be subject to change. Any change will only apply to new starts and not apply to apprentices already engaged on the apprenticeship.
140. Once the price has been agreed, the provider must not increase this price, unless there is a change of circumstances or the end-point assessment cost is being added.
- 140.1. Any changes to either the TNP1 or the TNP2 price fields must be agreed by the employer and clearly documented.
- 140.2. We will monitor changes of price and patterns of behaviour to identify any fraudulent activity.
141. If the true cost of delivery exceeds the funding band maximum (before any deductions for prior learning have been made), the provider must agree off-line (outside of the ILR and apprenticeship service) how the employer will pay this difference. We do not need to know about the amount of this difference and VAT can be charged on this amount. This difference must not be funded from the apprenticeship service account or co-investment.

## **Evidence requirements**

- There is a signed and dated contract for services between the provider and the employer, and this has been updated as required. This includes details of any price reduction / negotiation and any details of any employer contribution / co-investment.
- Where either the TNP1 or the TNP2 changes, the reason for this change and evidence that this change has been agreed in advance with the employer is clear.

## Employer co-investment

### New for 28 March 2024 – Version 3

- **Restructure** – The ‘Extra support for small employers’ section has been deleted. Relevant text around co-investment exemptions has been moved into this section.
- 145 Policy Update** – For new starts from 1 April 2024, where an employer does not pay the apprenticeship levy, government will fund all the apprenticeship training costs (up to the funding band maximum) for those apprentices aged between 16 and 21 years old.

### New for 17 June 2024 – Version 4

- 144 Clarification** – To confirm that this is for any employer with less than 50 employees, as per previous apprenticeship funding rules.
- 145 Policy update** – For new starts from 1 April 2024, where an employer does not pay the apprenticeship levy, government will fund all the apprenticeship training costs (up to the funding band maximum) for those apprentices aged between 22 and 24 years old who have either an Education, Health and Care (EHC) plan and / or have been in the care of their local authority.

Added in reference to Apprenticeships Technical Funding Guide, which provides further information and processes to follow.

- 142. Employers who do not pay the apprenticeship levy, and levy paying employers with insufficient funds, must co-invest the relevant co-investment rate of the total negotiated price, up to the funding band maximum, towards the cost of the apprenticeship training and assessment. The rate at which co-investment will need to be paid, for those where an exemption does not apply, will depend on the date the apprenticeship started.
  - 142.1. For apprenticeships that started on or after 1 April 2019, the employer co-investment rate is 5%. The government will pay the remaining percentage (up to the funding band maximum). Where the total negotiated price has exceeded the funding band maximum, the employer must pay all the additional costs above the funding band maximum in full.
- 143. The exemptions below apply to paragraph 142. In the circumstances below (paragraphs 144 to 145), the government will fund all of the apprenticeship training and assessment costs, up to the funding band maximum of the apprenticeship.

144. For starts up to 31 March 2024:
- 144.1. Employers who have fewer than 50 employees, if at the start of their apprenticeship training the apprentice is:
- 144.1.1 Aged between 16 and 18 years old (or 15 years of age if the apprentice's 16<sup>th</sup> birthday is between the last Friday of June and 31 August); or
- 144.1.2 Aged between 19 and 24 years old and has either an Education, Health and Care (EHC) plan provided by their local authority and / or has been in the care of their local authority (see paragraph 98.2)
145. For new starts from 1 April 2024:
- 145.1. Employers who do not pay the levy, if at the start of their apprenticeship training the apprentice is aged between 16 and 21 years old (or 15 years of age if the apprentice's 16<sup>th</sup> birthday is between the last Friday of June and 31 August)
- 145.2. Employers who do not pay the levy, if at the start of their apprenticeship training the apprentice is aged between 22 and 24 years old and has either an Education, Health and Care (EHC) plan provided by their local authority and / or has been in the care of their local authority (see paragraph 98.2)
- 145.3. More information can be found within the Apprenticeship Technical Funding Guide on how the co-investment waiver is applied, along with actions that providers need to take.
146. In the above scenarios, providers must not request any employer contribution towards the costs of an apprenticeship, up to the funding band maximum. However, if the total negotiated price is above the funding band maximum, then the employer is liable to pay in full the difference between these values.
147. For paragraph 144 we define the number of employees as the number of people with a contract of service. This must be calculated using the average number of employees with a contract of service in the 365 days before the apprentice is recruited. If the average number of employees is 49 and the recruitment of the apprentice takes this number to 50, the employer will still be eligible to receive this extra support.
148. Where an employer becomes a levy-payer during an apprenticeship, which started as a non-levy apprenticeship, levy funds available in the employer's account will be used to pay that month's instalment.

- 148.1. Please refer to the [Apprenticeships Technical Funding guide](#) for more information about when a change of circumstance affects the co-investment rate.
149. We will continue to make payments to main providers provided they record and evidence that they have collected the employer's contribution. Main providers must not return, in total or in part, the employer's contribution once the co-investment has been collected – the only exception is where a change of circumstances has taken place (for example, where an employer becomes a levy-payer during an apprenticeship which started as a non-levy apprenticeship, or the apprentice has changed employer or has withdrawn from the apprenticeship). In these instances, the employer co-investment must be reconciled and any overpayment addressed. More details can be found within the Change of circumstances section.
150. We may withhold the final completion payment until all the necessary employer co-investment has been collected.
- 150.1. Main providers must invoice employers separately for any employer co-investment, including any VAT if applicable.
- 150.2. Main providers may agree a schedule of co-investment payments with the employer which does not match monthly payments made by us, provided the employer has paid a matching co-investment payment.
- 150.3. Main providers must have collected and recorded (on the ILR) at least the amount of co-investment required for the whole apprenticeship up to the month before the completion payment is due, not counting any co-investment which might be required for the completion element itself.
151. The only exceptions to employer co-investment are:
- 151.1. English and maths;
- 151.2. Where the employer qualifies for extra support (see paragraphs 143 to 145);
- 151.3. Learning support payments;
- 151.4. Any additional payments; and
- 151.5. Where an employer delivers to their own staff as an employer-provider.
152. Throughout the financial year main providers must regularly:
- 152.1. Have collected the matching co-investment from employers; and

152.2. Report the cash value, on the ILR, of total employer contributions received (see paragraph 150.3).

### **Evidence requirements**

- Where an apprenticeship or part of an apprenticeship is funded through government-employer co-investment, the main provider must:
  - Evidence they have collected the required employer co-investment contribution (this must be a transfer of funding that is visible in the main providers financial systems) – typically this would be in the form of a main provider invoice and corresponding employer payment; and
  - Ensure employer co-investment payments match information on the ILR.
- Where the apprenticeship is exempt from employer co-investment, the main provider must:
  - Provide confirmation of the apprentice's date of birth
  - Where relevant, hold a statement from the employer, along with evidence, confirming eligibility that they had an average of 49 or fewer employees with a contract of service in the 365 days before the apprentice was recruited. This must be obtained before the apprentice starts.

## **Financial contributions by an apprentice**

153. The provider or the employer must not ask the apprentice to contribute financially to the eligible costs of training, on-programme or end-point assessment. This includes both where the individual has completed the apprenticeship successfully or has left the programme early.

153.1. Costs include any co-investment or additional training and assessment costs above the funding band, that the employer has paid directly to the provider, where this is part of the agreed apprenticeship.

### **Evidence requirements**

- There is a statement in the contract for services that the provider and the employer will not ask the apprentice to financially contribute to the eligible costs of the apprenticeship.

## Qualifying days for funding

154. To qualify for any apprenticeship funding the apprentice must be in learning for a minimum of 42 days between the learning start date and learning planned end date.
155. The provider must not include a learner in the ILR if they withdraw without completing one episode of learning, for example without attending the first class.
156. Where funding is paid for an apprentice who does not subsequently meet the qualifying period, we will recover the funding from the provider. These funds will be returned to the employer's apprenticeship service account.

## Value added tax (VAT)

157. Supplies of training or end-point assessment, which are paid by government funding, including the apprenticeship levy, are exempt from VAT. This includes additional payments (see paragraphs 97 to 103). Providers must not include VAT in the prices they enter onto the ILR (see paragraph 160).
158. Main providers must determine the VAT treatment on their invoices to employers.
159. We do not provide advice on VAT. Providers must always seek their own advice on VAT from HMRC if they are in any doubt about VAT treatment.
160. If main providers add VAT to invoices and the employer is VAT registered, the employer may be able to recover that VAT through its VAT returns. In determining the costs of training or end-point assessment, an employer will need to check with their main provider if VAT will be added and verify, internally or with HMRC, if it can be recovered.

## Subsidy control

### **New for 1 August 2023**

**161 to 164** - We have updated this section to reflect the UK subsidy control regime.

### **New for 17 June 2024 - Version 4**

**162 Policy update** – To reflect the changes to the policy regarding co-investment waiver.

161. Funds received by providers from an employer's apprenticeship service account (including government top-ups to funds), government-employer co-investment and additional payments do not fall within the scope of subsidy control from 1 August 2023 to 31 July 2024.
162. For starts up to 31 March 2024, waiving of the employer contribution for eligible employers is likely to amount to a subsidy (see paragraphs 143 to 144). The subsidy control rules will therefore apply to such cases. For more information on subsidy control, please visit the [UK subsidy control regime guidance](#) on GOV.UK.
163. Transfers of funds between employers also engage the subsidy control rules. For any transfer an employer receives, a percentage of the transferred funds will count towards the employer's Minimal Financial Assistance (MFA) exemption. This percentage represents the amount of co-investment the employer would have otherwise had to contribute towards the apprenticeship, if funds had not been transferred.
  - 163.1. The provider must ensure the employer completes an MFA declaration for relevant funding they receive as a result of the waiver of the employer contribution for small employers and transfers.
164. If providers become aware that an employer exceeds their Minimal Financial Assistance exemption of £315,000 over a rolling 3 year period, they must contact us.

## **Evidence requirements**

Where applicable (for waiving of the small employer contribution and transfers), the employer must give a Minimal Financial Assistance declaration to their provider.



## Delivery models

### Apprenticeships funded by transfers of levy funds

#### **New for 31 October 2023 - Version 2**

**174.3** Clarification that in instances where the original transfer application was auto-approved, then this stage of the process will also be automated for the sending employer.

#### **New for 28 March 2024 – Version 3**

**165 Policy Update** – From April 2024, the annual transfer allowance will be increased to 50% (this is based on actual transfer payments taken within the financial year).

### Rules for employers (including employer-providers and Flexi-Job Apprenticeship Agencies)

165. Levy-paying employers can transfer a percentage of their levy funds, which were declared for the previous tax year, to other employers, including Flexi-Job Apprenticeship Agencies (FJAAs). From April 2024, the annual transfer allowance will be increased to 50% (this is based on actual transfer payments taken within the financial year).
- 165.1. The transfer allowance will be calculated, around the start of each tax year, and is based on the total amount of levy declared (to HMRC) during the previous tax year, with the English percentage applied, plus the 10% government top-up payment. This allowance is recalculated every tax year and any unused allowance will not be carried forward.
166. If employers are part of an account with connected organisations the transfer allowance will be calculated from the total levy declared by all organisations included within the account at the time of the calculation. They will not have an individual transfer account.
167. The transfer amount should cover 100% of the eligible training and assessment costs, up to the funding band maximum, of the apprenticeship standard. This does not include English and maths training up to and including level 2, which is funded separately.
168. By agreeing to fund an apprenticeship with a transfer, levy (sending) employers are committing to fund the apprenticeship over its entire duration until completion. Sending employers will need to ensure they do not exceed their

transfer allowance and that they will have enough transfer allowance to cover these costs over the relevant number of years. Sending employers will not be able to stop payments once they have approved the apprenticeship on the apprenticeship service and transfer payments will be deducted from their levy account first, prior to their own apprenticeships.

169. Employers cannot jointly fund an apprenticeship with another levy-paying employer.
170. Transferred funds can only be used to pay for training and assessment for apprenticeship standards, for new apprenticeship starts. A transfer must be agreed and put in place before an apprentice (being funded by the transfer) starts their apprenticeship. The only exception to this is where the apprentice is changing employer and an agreement to continue their apprenticeship with their new employer is via a transfer of levy funds – this must be agreed by the point the apprentice starts with their new employer.
171. There must not be any conditions imposed on sending a transfer, such as choosing the receiving employer's main provider or end-point assessment organisation for them. This does not include any criteria that the sending employer may have set around their transfer pledge.
172. Employers must not seek or accept any incentives or inducements, or any other payments not authorised by us in exchange for sending or receiving a transfer.
173. Once the transfer of levy funds has been processed, the responsibility and liability of the transfer funded apprenticeship lies solely with the receiving employer – this includes the quality of the apprenticeship and the employment of the apprentice(s). The sending employer has no accountability for that apprenticeship going forward, apart from the commitment to fund the apprenticeship over its entire duration until completion.

### **Specific rules for employers receiving a levy transfer**

174. Before entering the details on their apprenticeship service account, receiving employers must:
  - 174.1. Agree the transfer details with the sending employer (either by an approved pledge application or by a direct transfer connection);
  - 174.2. Agree with the main provider which apprenticeship standard the apprentice will be undertaking; and
  - 174.3. Confirm the price that has been negotiated with the main provider and end-point assessment organisation. All parties will need to approve these details through the apprenticeship service – in instances where the original

application was auto-approved, then this stage of the process will also be automated for the sending employer.

175. For employers who either do not pay the levy or have exhausted the levy funds in their apprenticeship service account, then if at any point the 'sending' employer has insufficient funds to cover the cost of the apprenticeship training, the receiving employer must pay co-investment to their main provider for the remainder. The rate at which co-investment will need to be paid will depend on when the apprenticeship started.
176. For levy-paying employers, if at any point the 'sending' employer has insufficient funds to cover the cost of the apprenticeship training and the receiving employer has sufficient levy funds available then these funds will automatically be used before they enter co-investment.
177. If the total negotiated price of the apprenticeship exceeds the funding band maximum, receiving employers must pay all of the additional costs.

## Rules for providers

178. For the purposes of apprenticeships funded by a transfer, the receiving employer is treated as a levy-paying employer.
179. Providers must fully explain to the receiving employer the requirement to pay co-investment if the full cost of the apprenticeship cannot be met with a levy transfer or funds from their apprenticeship service account (see paragraph 142). Providers must arrange to collect co-investment as set out in the co-investment section.
180. Providers must not deliver training to apprentices they are funding through a transfer (i.e. they are also a levy-paying employer (this includes any connected companies)). This includes where providers are acting as a main provider or a subcontractor.

## Evidence requirements

- Where the apprenticeship is being funded by a transfer of levy funds, providers must hold confirmation of who the sending employer is.

## Subcontracting

### Introduction

181. Funding for all elements of each apprenticeship will be routed through a single provider that the employer has chosen; this includes funding for English and maths.

### **Requirement for the provider to directly deliver some training or on-programme assessment**

182. The provider must directly deliver some of the apprenticeship training and / or on-programme assessment associated with each employer's apprenticeship programme. By employer's apprenticeship programme, we mean all of the apprentices that a provider has been contracted to deliver training to, at that employer, irrespective of the occupational area, standard or level.

182.1. The volume of training and / or on-programme assessment that the provider directly delivers for each employer must have some substance and must not be a token amount to satisfy this rule.

182.2. It must not be limited to a brief input at the start of each employer's programme or involve delivery to just a few of a large number of apprentices. It does not include delivering only English or maths, or aspects of the apprenticeship which all apprentices must have, such as safeguarding or British values.

183. The provider can use subcontractors to complement their own delivery, if requested by an employer and agreed at the start of the apprenticeship. Within an employer's apprenticeship programme (conditional on paragraph 182) subcontractors can deliver full or part-apprenticeship training.

183.1. Further information can be found in [Using Subcontractors in the Delivery of Apprenticeships](#).

### **Requirement to provide a rationale for subcontracting**

184. The provider must have a sound rationale for subcontracting, which must enhance the quality of the learner offer. The decision to subcontract must not be motivated by financial gain. The educational rationale for subcontracting must be clear and must meet one or more of the following aims:

184.1. To enhance the opportunities available for learners;

184.2. To fill gaps in niche or expert provision, or to provide better access to training facilities;

184.3. To support better geographical access for learners;

184.4. To offer an entry point for disadvantaged groups; or

- 184.5. To give consideration of the impact on individuals with shared protected characteristics.
185. The provider must also have, before agreeing the use of subcontractors with an employer, a list of the services they will provide when subcontracting and how they will determine the associated costs. This information must include:
- 185.1. The full range of fees retained by the provider and charges (which must be eligible costs) that apply, including funding retained for managing quality assurance / oversight and for administrative functions such as data returns.
- 185.1.1 The department reserves the right to require an explanation where the funding retained as a management fee exceeds 20% of the overall contract value but offers little value.
- 185.2. How the provider will determine that each cost claimed by a subcontractor is reasonable and proportionate to the delivery of their teaching or learning and contributes to delivering high quality learning.
186. The provider must review their subcontracting policy (see paragraphs 184 to 185), including their rationale for subcontracting, ahead of each funding year and this must be signed off by the person charged with overall responsibility for the organisation in the governance structure. Once reviewed, the updated policy must be published by 31 October each year.
187. Main providers must publish the information referred to in paragraphs 184 and 185 on their website (the rationale for subcontracting, the services they will provide and the associated costs). Employer-providers must hold this information but are not required to publish it on their website.

## **Agreeing the use of subcontractors**

188. Where the provider is a main provider, they must agree the use of subcontractors with the employer.
189. The provider must not use subcontractors if they do not have the knowledge, skills and experience of contracting with and managing subcontractors.
190. The provider must not use a subcontractor that they assess as being unsuitable, or whose quality of delivery is demonstrably inadequate, even where an employer decides not to work with the provider as a result.

## **Selecting a subcontractor**

191. The provider must only use subcontractors that satisfy one of the following three criteria:

- 191.1. They are on the published Apprenticeship Provider and Assessment Register (APAR) and have applied by the main provider or supporting provider application routes;
  - 191.2. They are the apprentice's employer, or a [connected company or charity](#) as defined by HMRC, and are on the published APAR, having applied through the employer-provider application route; or
  - 191.3. They have applied to the APAR subcontracting exception process and have been approved to be exempt from the requirement to be on this register and can produce written approval from the department confirming that this exception applies to them, including its duration.
192. The provider must not enter into any agreement for brokerage. By brokerage we mean the provision by a third party of services, for a fee, to source subcontractors to deliver on their behalf.
  193. The provider must carry out their own due diligence checks on potential subcontractors, including taking account of any relevant Ofsted reports. This process and its results must be available for inspection by us and employers. A potential subcontractor's presence on the APAR, or any other public register or database, must not be used as an indicator that they are suitable to deliver to the provider's, or the employer's, specific requirements.
  194. The provider must have robust procedures in place to ensure they do not inadvertently fund extremist organisations through subcontracting of apprenticeship training and / or on-programme assessment.
  195. The provider must ensure that they comply with current and relevant procurement regulations. If they are a contracting authority, this means that they must comply with the [Public Contracts Regulations 2015](#). They must ensure that they select their subcontractor(s) fairly, transparently and without discrimination and they must ensure that potential subcontractors have sufficient capacity, quality and business standing to deliver the provision that is being subcontracted to them.
  196. The provider must not make artificial distinctions or put in place convoluted delivery arrangements in order to avoid the application of these rules. For example, describing the arrangement as a partnership or collaborative arrangement.
  197. The provider must not agree the use of any subcontractor where this would require them to subcontract apprenticeship training and / or on-programme assessment to a second level. All subcontractors must be contracted directly by the provider, who may have more than one subcontractor.

198. The provider must maintain the relationship with each employer at all times. They must not allow a subcontractor to lead that relationship. They must also make sure that learners supported through subcontracting arrangements know about the provider's and the subcontractors' respective roles and responsibilities in delivering the apprenticeship.

## **The written agreement between the main provider and each employer**

(Note: Paragraphs 199 to 200 do not apply to employer-providers)

199. The main provider must clearly describe to each employer and potential subcontractor before each subcontracting relationship is agreed, the reason for subcontracting and all services they will provide and the associated costs when doing so.
- 199.1. This must include a list of specific costs for managing the subcontractor and for quality monitoring activities and any other support activity offered by the main provider to the subcontractor. All of these costs must be individually itemised and describe how each cost contributes to delivering high quality training. They must also explain how such costs are reasonable and proportionate to delivery of the subcontracted apprenticeship training.
200. If the main provider and an employer subsequently agree to use a subcontractor, the main provider must put in place a written agreement with the employer that sets out and confirms the following for the delivery of their apprenticeship programme:
- 200.1. The apprenticeship training and / or on-programme assessment that the main provider will directly deliver and the amount of funding they will retain for this direct delivery;
- 200.2. The apprenticeship training and / or on-programme assessment that each subcontractor will provide and the amount of funding the main provider will pay each subcontractor for this contribution;
- 200.3. The specific amount of funding the main provider will retain to manage and monitor each subcontractor;
- 200.4. The specific amount of funding the main provider will retain to monitor the quality of the training and / or on-programme assessment each subcontractor provides, and for each support / administrative function provided, including data returns;
- 200.5. A detailed description of how the funding retained for the activities detailed in paragraph 200.4 contributes to delivering high quality training and how

the funding retained is reasonable and proportionate to delivery of the apprenticeship training by the subcontractor that is described in paragraph 200.2; and

- 200.6. Any actual or perceived conflict of interest between the main provider and any subcontractors. For example, where the main provider and a subcontractor are part of the same group, share common directors or senior personnel, or where the main provider will benefit financially from using a particular subcontractor.

## **The written agreement (the subcontract) between the provider and the subcontractor**

201. The provider must put in place a legally binding written subcontracting agreement with the subcontractor before the subcontractor starts delivery of any subcontracted provision. We do not provide a template for subcontracts. As a minimum the subcontract must cover the following points:
- 201.1. An entitlement by the provider to exercise management controls over the subcontractor's activity, including access by auditors appointed by either the provider or by us.
- 201.2. A list of all services the provider's organisation will provide to the subcontractor and the associated costs for doing so. This must include:
- 201.2.1 A list of individually itemised, specific costs that the provider will charge for managing the subcontractor and how these are reasonable and proportionate to the delivery of their subcontracted provision.
- 201.2.2 Specific costs for quality monitoring activities and specific costs for any other support activities offered by the provider to the subcontractor and how these contribute to the delivery of high-quality learning.
- 201.2.3 Reference to the provider's subcontracting policy, including the rationale for subcontracting and where it can be found on their website.
- 201.3. A requirement to give us and any other person nominated in writing by them, access to the subcontractor's premises and to all documents related to their subcontracted delivery.
- 201.4. A requirement for the subcontractor to give the provider ILR data so that their organisation's data returns to the department accurately reflect the subcontractor's delivery information.



- 201.5. A requirement for the subcontractor to give the provider sufficient evidence to allow the provider to assess their performance against Ofsted's education inspection framework and to incorporate relevant evidence into the provider's self-assessment report and guide the judgements and grades within this self-assessment report.
- 201.6. A requirement for the subcontractor to always have suitably qualified staff available to provide the education and training funded by us.
- 201.7. A requirement for the subcontractor to co-operate with the provider if the subcontract ends for any reason to make sure that there is continuity of learning.
- 201.8. A requirement for the subcontractor to inform the provider if evidence of irregular financial or delivery issues arise. This could include but is not limited to non-delivery of training when funds have been paid, sanctions imposed by an awarding organisation, allegations of fraud, an inadequate Ofsted grade, and allegations or complaints by apprentices, staff members or other relevant parties.
202. The provider must make sure their subcontractors comply with the requirements set out in these funding rules and they must ensure that they include, in the subcontracting agreement, provisions that enable them to terminate the subcontract should their subcontractor be removed from APAR.
203. The provider should take their own legal advice about how best to incorporate these provisions and wider terms and conditions in their subcontracting agreements.

### **Delivery of apprenticeship training and on-programme assessment by subcontractors**

204. The provider has overall responsibility for the quality of apprenticeship training and on-programme assessment undertaken by their subcontractors. They are responsible for the actions of their subcontractors connected to, or arising out of, the delivery of the services which are subcontracted to them. If a subcontractor fails to deliver, the provider will be responsible for making alternative arrangements for the delivery of education and training, protecting the audit trail and / or repaying us.
205. The provider must manage and monitor all of their subcontractors to ensure that high-quality delivery is taking place that meets the requirements of the agreement they have entered into with us for the provision of apprenticeship funded delivery (which must comply with the apprenticeship funding rules). The provider must ensure safeguarding is rigorously enforced.

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

## **Subcontracting threshold and exemption cases**

(Note: this section does not apply to Local Authorities)

208. If the provider pays subcontractors more than 25% of the apprenticeship funding they receive from us (determined using the financial information in the subcontractor declarations) and they do not think this can be reduced to less than this, they must submit an exemption case to us.
- 208.1. The provider must submit an exemption case, utilising [Annex C](#) (of the Reforms to Subcontracting Education for Learners over 16 document) to the department by 31 March and each year thereafter. The exemption case should be sent to [enquiries.ESFA@education.gov.uk](mailto:enquiries.ESFA@education.gov.uk).

208.2. We will consider the request, taking into account the detail that has been provided, as well as data and information available both internally and externally. We will consider:

208.2.1 The provider's subcontracting policy, including their fees and charges policy and whether this has been signed off by officers who are charged with governance in line with rule 186.

208.2.2 If the provider subcontracts more than £100,000 in a funding year, we will consider an external auditor's report on the effectiveness of the processes and controls they have in place for managing subcontractors as set out in paragraph 211.

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

## **Subcontracting reporting and external audit requirements**

209. The provider must record subcontracted provision in line with the published guidance for the individualised learner record (ILR) data returns.

210. If the provider returns ILR data, in accordance with their contract with the department, they must also submit a fully completed subcontractor declaration by the dates given to them. This will be at least twice during the funding year. If they do not subcontract they must provide a nil return to confirm this.

210.1. The provider must also update their subcontractor declaration if their subcontracting arrangements change during the year. This is done via their [MyESF account](#).

211. In accordance with the provider's contract with us, they must meet the ESFA subcontracting standard as detailed in the [subcontracting standard guidance](#). If the aggregate total of all subcontractors delivering ESFA funded provision on their behalf exceeds or is anticipated to exceed £100,000 in any single funding year. Whilst other programmes are excluded from these rules, for the purposes of calculating the aggregate total of subcontracted delivery the provider must include delivery of all DfE funded programmes, not just apprenticeships. Where the standard applies:

211.1. The provider must supply us with a report signed by an external auditor that provides assurance on the arrangements to manage and control their subcontractors. They must send a copy of the external auditor's final

report including the action plan of agreed recommendations and assurance declaration via [ESFA document exchange](#) by 31 July. Further information can be found in the [document exchange user guide](#). The department will review this as part of our overall assurance arrangements.

211.1.1 If we do not receive the auditor's report on the subcontracting standard by this date the provider will be deemed as non-compliant and funding may be affected / delayed.

## **Disputes and issue resolution between the provider and employer**

- 212. The provider is responsible for resolving issues and disputes between the employer and their subcontractors. They must provide employers and apprentices with their written complaints and dispute resolution procedure, policy and process. The first contact point for this must be included in the written agreement and in the training plan.
- 213. Agreements entered into between the provider and the employer must be legally binding. Dispute resolution should be in accordance with the terms of the written agreement, which ultimately would be enforceable through the courts.
- 214. The provider must make apprentices and their employers aware that they can contact the [apprenticeship helpline](#) regarding apprenticeship concerns, complaints and enquiries. The contact number and website must also be included in the employer's written agreement and in the apprentice's training plan.

## **Special conditions for a main provider subcontracting to an employer-provider**

- 215. Organisations who have successfully applied through the employer-provider route of the APAR are only eligible to deliver apprenticeship training and / or on-programme assessment to apprentices employed either by them or a connected company or charity as defined by HMRC. The main provider must ensure any employer-providers who are subcontractors meet this requirement.
- 216. The main provider must ensure that the subcontractor (the employer-provider) evidences the actual costs of delivery of apprenticeship training and on-programme assessment. Employer-providers must not profit from apprenticeship delivery to their own employees or those of a connected company.

## **Special conditions for a provider to subcontract to a supporting provider**

217. Subcontractors who have successfully applied to the supporting application route of the APAR must not receive more than £500,000, or £100,000 if the subcontractor is identified as new, of apprenticeship funding for their delivery from 1 August to 31 July each year. The provider must ensure that they are not one of a number of organisations making payments to any supporting provider that exceed £500,000, or £100,000 if the subcontractor is identified as new, in any one year. We will place restrictions on the future use of subcontractors if this happens.

217.1. We will exclude any supporting provider that has applied to the APAR through the supporting provider application route where they allow their funding to exceed their respective total in any one year.

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

218. Where the employer is the subcontractor the provider must only pay them for actual costs of delivery. Employers must not profit from apprenticeship delivery to their own employees or those of a connected company.

## Evidence requirements

The provider has:

- Evidence that they are directly delivering some of the apprenticeship training and / or on-programme assessment associated with each employer's apprenticeship programme (see paragraph 181) and are maintaining the relationship with each employer at all times (see paragraph 198).
- Made available their subcontracting policy (rationale for subcontracting, services and costs (see paragraphs 184 to 186)). Where the provider is a main provider they have also published this information (employer-providers are not required to publish this information).
- Agreed any subcontracting requirement with the employer. They have then followed the rules on selecting a suitable subcontractor (see paragraphs 191 to 197), put in place a written agreement with each employer to outline how they and the subcontractor will work together (see paragraphs 199 to 200) and have issued the relevant disputes and issue resolution information to employers and apprentices (see paragraphs 212 to 214).
- Put in place a written agreement (a subcontract) with each subcontractor (see paragraphs 201 to 202) and put in place arrangements to monitor the apprenticeship training and on-programme assessment delivered by subcontractors (see paragraphs 204 to 207).
- Where needed, applied for an exemption to the subcontracting threshold by the published deadline (see paragraph 208).
- Met the relevant subcontracting reporting and external audit requirements (see paragraphs 209 to 211) including identifying subcontractors and reporting them in the ILR and where applicable, the subcontracting standard.

## Flexi-Job Apprenticeship Agencies (FJAAs)

**New for 31 October 2023 - Version 2**

**219 Policy update:** To reflect the launch of the Quality Framework for Flexi-Job Apprenticeship Agencies.

219. In order to operate as a FJAA, an organisation must be on the Register of Flexi-Job Apprenticeship Agencies, comply with the FJAA Conditions of Registration

and meet the requirements of the Quality Framework for Flexi-Job Apprenticeship Agencies. More information can be found on [GOV.UK](https://www.gov.uk).

220. The main provider must report in their [ILR](#) that the apprentice is employed by a FJAA.
221. FJAAs must report in their apprenticeship service account that the apprentice is following the FJAA model (i.e. they are going on placements with host employers). They must also inform the apprentice that they are on this delivery model.
222. Where there is a gap between placements with host employers, FJAAs must continue to employ and pay the apprentice. Where possible, main providers should continue training the apprentice (off-the-job training or English and maths) – where there is no plan for active learning to take place in a calendar month this must be treated as a break in learning (see paragraph 80.2).

### **Evidence requirements**

Main providers must hold documented details of the apprentice's placement(s) – this includes the name of the host employer(s) and the duration of the placement(s).

## Change of circumstance

### Overview

223. If any circumstances change that affect any agreements, providers and employers must revise existing agreements or create new agreements. This includes but is not limited to:
- 223.1. Changes to the apprentice's programme (including changing to a new version of a standard see paragraphs 250 to 264)
  - 223.2. Changes to price;
  - 223.3. Changes to the apprentice's eligibility;
  - 223.4. Any updates required to the employer's apprenticeship service account;
  - 223.5. Changes to the apprentice's contract or working pattern;
  - 223.6. Changes to the apprenticeship duration;
  - 223.7. Changes to the apprentice's employer
  - 223.8. Changes to the provider or subcontractor;
  - 223.9. Breaks in learning.
224. If any change of circumstances is not included above, providers must seek advice from us about what action they must take. Please use our [enquiry form](#).

### Where training or assessment stops

225. Where a change of circumstance means that training and / or assessment is no longer being delivered, no further funds from an employer's apprenticeship service account, government-employer co-investment or additional payments will be made.
226. In these circumstances:
- 226.1. providers must inform us of the date at which training or assessment activity stopped through the ILR.
  - 226.2. main providers must agree with the employer the cost of the training and, where applicable, the end-point assessment delivered to date. They must ensure the employer has paid any mandatory co-investment due for any training or end-point assessment already delivered.



227. If an apprentice leaves without completing their apprenticeship, the last date of learning, including the apprenticeship programme learning aim, is the date that providers have evidence the apprentice was still in learning for any learning that was part of their apprenticeship.
228. When a change of circumstance results in over-payment of funds from an employer's apprenticeship service account or government-employer co-investment, providers must repay any over-payments.
229. Main providers must follow the arrangements set out in their agreement with the employer for any over-payment by the employer and agree any reimbursement for employer co-investment made for learning paid for, but not undertaken; or learning delivered, but not yet paid up to the employee's leave date, or the date of their break in learning, as needed.
- 229.1. When employment or an apprenticeship agreement has ended (resignation, dismissal or any other action by the apprentice or the employer that results in the apprenticeship agreement ending, with the exception of redundancy) and new employment has commenced within 30 days we do not expect a withdrawal to be recorded. Where new employment has not commenced within 30 days, the provider must, after 30 days, record the apprentice as on a break in learning (see paragraph 232.3). Where the apprentice does not re-start with a new employer after 12 weeks, the main provider must withdraw the apprentice to ensure funds are not paid when the apprentice is not employed.

## Breaks in learning

### **New for 1 August 2023**

- 230** The provider must use a break in learning where there is no plan for any active learning (off-the-job training or English / maths training) to take place in every calendar month of the practical period.
- 232.2** The only exception to this is for those apprentices with a term-time only contract, where we do not require a break in learning for the month of August.

### **New for Version 1**

- 233** We have clarified that when an apprentice takes a break in learning and returns to the same apprenticeship, they will return to the same funding rules they were following prior to their break.

230. The provider must use a break in learning where there is no plan for any active learning to take place within a calendar month (see paragraph 80.5 for more detail).
231. An apprentice may request to take a break in learning from their apprenticeship if they plan to return to the same programme at a later date.
- 231.1. An apprentice may take a break in learning either with, or without a break in employment.
- 231.2. The reason for the break and its expected duration must be discussed with their employer. This could include medical treatment, parental leave or leave for other personal reasons.
232. The provider must not record a break in learning:
- 232.1. For annual leave, public holidays and short-term absence (including strikes) (where the apprentice is able to continue actively learning each calendar month).
- 232.2. For those apprentices with a term-time only contract, where we do not require a break in learning for the month of August.
- 232.3. When employment or an apprenticeship agreement has ended (redundancy, resignation, dismissal or any other action by the apprentice or the employer that results in the apprenticeship agreement ending). Where an apprentice has been made redundant please refer to the redundancy section in the rules (see paragraphs 235 to 239). In circumstances where an apprentice changes employer and there is a break in employment of more than 30 days and up to 12 weeks, please see paragraph 229.1.
233. Where the apprentice takes a break in learning and then returns to the same apprenticeship, they will return to the same funding rules they were following prior to their break. The employer must revise the apprenticeship agreement and the provider must revise the dates on the training plan, to account for the duration of the break. It must be clear that there have been multiple episodes of learning. The overall duration of the apprenticeship and the required volume of off-the-job training can remain the same (as though there had been no break in learning).
234. Providers must record breaks in learning on the ILR and re-plan the delivery of any remaining training and / or assessment following a break, if required. Employers may temporarily pause payments through their apprenticeship service account until the provider's ILR has been updated.

- 234.1. We will stop making payments from funds in an employer's apprenticeship service account or government-employer co-investment if an apprentice has a break in learning.
- 234.2. If an apprentice is on a break in learning when an additional payment is due, the payment will be delayed until the apprentice resumes their apprenticeship and has reached an overall total of 90 or 365 days in learning.
- 234.3. If an apprentice is on a break in learning when a care leaver bursary payment is due, the payment will be delayed until the apprentice resumes their apprenticeship and has reached an overall total of 60, 120 or 300 days in learning.

## Redundancy

**Apprentices who have their apprenticeship agreement terminated by reason of redundancy who, on the day of dismissal, are within six months of the final day of the apprenticeship practical period OR they have completed at least 75% of the apprenticeship practical period specified in the apprenticeship agreement:**

235. Apprentices who meet the above definition may continue their apprenticeship training without being employed under an apprenticeship agreement (see paragraph 62). In these circumstances the provider can continue to deliver the apprenticeship training so long as all the remaining elements, including the end-point assessment, can still be successfully delivered.
  - 235.1. We will fund 100% of the remaining costs of the total price, up to the funding band maximum.
  - 235.2. In the case of an employer-provider, the apprentice must wish to continue to train with an organisation that they no longer work for.
236. The provider must:
  - 236.1. Record the change in employment status in the ILR and ensure payments from the relevant apprenticeship service account stop, including where the apprenticeship is funded by a transfer. These dates must match the date the apprentice's apprenticeship agreement was terminated.
  - 236.2. Support the apprentice through to the end of the apprenticeship, including any assessment.
  - 236.3. Make reasonable efforts to find the apprentice a new employer.
    - 236.3.1 Where the provider is a main provider: If the apprentice finds a new employer where they can complete their

apprenticeship, the new employer assumes all outstanding liabilities and benefits from that point. The main provider must negotiate a new price, if required, with the new employer and input this on the ILR. If the apprentice takes a job with an employer which is not related to their apprenticeship, we will continue to fund them as per paragraph 235.1.

- 236.3.2 Where the provider is an employer-provider: If the apprentice finds a new employer, the current employer-provider can no longer continue to deliver training. It would be the responsibility of the new employer to secure a provider for the apprentice, should both parties wish to continue with the apprenticeship.

**Apprentices who have their apprenticeship agreement terminated by reason of redundancy who, on the day of dismissal, have completed less than 75% of the apprenticeship practical period specified in the apprenticeship agreement and the remaining training represents a training duration of six months or more:**

237. Apprentices who meet the above definition may continue their apprenticeship training without being employed under an apprenticeship agreement (see paragraph 62). In these circumstances the provider can continue to deliver the apprenticeship training, where it can be successfully delivered.

237.1. We will fund the remaining costs of the price previously negotiated for up to 12 weeks, while the apprentice seeks a new employer.

237.2. In the case of an employer-provider, the apprentice must wish to continue training with an organisation that they no longer work for.

238. The provider must:

238.1. Record the change in employment status in the ILR and ensure payments from the relevant apprenticeship service account stop, including where the apprenticeship is funded by a transfer. These dates must match the date the apprentice's apprenticeship agreement was terminated.

238.2. Make reasonable efforts to find the apprentice a new employer.

- 238.2.1 Where the provider is a main provider: If the apprentice finds a new employer where they can complete their apprenticeship, then the new employer assumes all outstanding liabilities and benefits from that point. The main provider must negotiate a new price, if required, with the new employer and input this on the ILR. If the apprentice takes a

job with an employer which is not related to their apprenticeship, we will continue to fund them as per paragraphs 237.1.

238.2.2 Where the provider is an employer-provider: If the apprentice finds a new employer, the current employer-provider can no longer continue to deliver the training. It would be the responsibility of the new employer to secure a new provider for the apprentice, should both parties wish to continue with the apprenticeship.

239. Where a new employer is not found within 12 weeks, the provider must record the apprentice as withdrawn (by reason of redundancy) and they must issue the apprentice with a 'record of apprenticeship part-completion' to support them to find new employment.

239.1. This record must include, as a minimum, a) details of the apprentice; b) details of the apprenticeship (level, subject, start date and planned end date); c) the percentage of the apprenticeship completed; d) a summary of the knowledge, skills and behaviours that the apprentice has developed and evidenced during their time on the apprenticeship; and e) in the case of apprenticeships with mandatory qualifications, the qualification, or units thereof, achieved.

## Evidence requirements

The provider:

- Has evidence of the apprentice's redundancy. This may be a copy of the apprentice's dismissal notice (which cites the reason for dismissal as redundancy). In the absence of this, other evidence which would allow one to reasonably conclude that the apprentice has been made redundant is acceptable (e.g. an email informing employees that the business is closing / has closed). See the Glossary definition for the situations which amount to redundancy in law.
- Is able to show what reasonable efforts have been made to find the apprentice a new employer.
- Has, where an apprentice is withdrawn because they have been unable to find a new employer, recorded the withdrawal reason as redundancy and has issued the apprentice with a 'record of apprenticeship part-completion' that meets the criteria in paragraph 239.

## Maternity, adoption and shared parental leave

### New for 1 August 2023

- 244** Reflecting the change in the off-the-job training policy, a break in learning must be used to pause funding if there is a clear calendar month between two KIT / SPLIT days.

### Maternity leave

240. An apprentice may carry out up to 10 days' work for their employer during the maternity leave period without bringing their maternity leave period to an end (these days are referred to as keeping in touch or KIT days). If an apprentice wishes to use any of her 10 designated KIT days to continue with apprenticeship training, assessment or end-point assessment, they may do so and the provider can continue to support them.
- 240.1. Apprentices will lose their entitlement to statutory maternity pay and may bring their statutory maternity leave to an end if they undertake more than 10 days' work (their KIT entitlement) during their maternity leave. This may not affect any contractual rights.
- 240.2. Where KIT days are to be used for off-the job training during a period of maternity leave, the provider is required to agree this in writing with the apprentice and the employer (see paragraph 244).

### Adoption leave

241. An apprentice may carry out up to 10 days' work for their employer during their statutory adoption leave period without bringing their statutory adoption leave or adoption pay period to an end (these days are referred to as keeping in touch or KIT days). If an apprentice wishes to use any of their 10 designated KIT days to continue with apprenticeship training, assessment or end-point assessment, they may do so and the provider can continue to support them.
- 241.1. Where KIT days are to be used for off-the job training during a period of adoption leave, the provider is required to agree this in writing with the apprentice and the employer (see paragraph 244).

### Shared parental leave

242. An apprentice may work for up to 20 days during a shared parental leave period for each of their employers without bringing their leave to an end. These days are referred to as shared parental leave in touch or SPLIT days; these are

separate and additional to any KIT days during a period of maternity or adoption leave. If an apprentice wishes to use any of their designated SPLIT days to continue with apprenticeship training, assessment or end-point assessment, they may do so and the provider can continue to support them.

242.1. Where SPLIT days are to be used for off-the job training during a period of shared parental leave, the provider is required to agree this in writing with the apprentice and the employer (see paragraph 244).

## **Paternal leave**

243. Statutory paternal leave is a maximum period of 2 weeks. The provider would be expected to structure the delivery of training around any paternal leave so that the apprentice can still complete their programme.

## **The agreement**

244. Where an apprentice and employer wish to use KIT / SPLIT days to continue with apprenticeship off-the-job training and / or assessment, the provider must complete the following agreement with them. This agreement must be signed by all parties (provider, employer, apprentice) and must include:

244.1. The apprentice's reason behind their request to continue apprenticeship training during KIT / SPLIT days;

244.2. The number of KIT / SPLIT days to be used and the number of hours proposed to be spent on training on these days (any training carried out any KIT / SPLIT day would constitute 1 full day's work and therefore one KIT / SPLIT day);

244.3. An agreement by the employer and provider in relation to the timing of KIT / SPLIT days relative to the monthly payments the provider will continue to receive if a break in learning is not utilised. If no training is delivered in any one calendar month, using a KIT / SPLIT day, then a break in learning must be used to pause funding.

244.4. An acknowledgement by the apprentice that in undertaking training and / or assessment, including end-point assessment, on KIT / SPLIT days this will impact on their entitlement to KIT / SPLIT days, as well as statutory maternity / adoption / shared parental leave and pay (i.e. they may lose statutory maternity / adoption / shared parental leave and pay if KIT / SPLIT days are exceeded); and

244.5. An agreement by the employer and provider in relation to the timing of KIT / SPLIT days relative to the monthly payments that the provider will continue to receive if a break in learning is not utilised.

244.5.1 A break in learning must be used to pause funding if there is a clear calendar month between two KIT / SPLIT days.

245. During a period of maternity / adoption / shared parental leave, only the off-the-job training that is delivered on the actual KIT / SPLIT day(s) can be included towards the minimum off-the-job training requirement by the provider. At all other times during the leave period, the apprentice is not 'working' and therefore any training delivered during this time would not meet the definition of off-the-job training.
246. The intention of the policy arrangements described in paragraphs 240 to 244 is to allow an apprentice with minimal training days left (less than the available number of KIT days) to complete their apprenticeship during their leave or to use these days to allow for an incremental return to training prior to returning to the workplace (e.g. to train with a cohort prior to a return to the workplace).
247. The maternity, adoption and shared parental leave policy and the use of KIT / SPLIT days is not designed to support sporadic activity during a long period of leave, and the provider must, where possible, avoid multiple breaks in learning.

### **Actions for the provider and employer to take**

248. If the apprentice is not intending to use any KIT / SPLIT days to continue off-the-job training during their period of maternity / adoption / shared parental leave, please follow the guidance for breaks in learning (see paragraphs 230 to 234). The break in learning would be used for the full period of maternity / adoption / shared parental leave.
249. If the apprentice is intending to use KIT / SPLIT days to continue off-the-job training during their period of maternity / adoption / shared parental leave, please see paragraphs 244 to 247.

### **Evidence requirements**

- A copy of the agreement, signed by all parties, that complies with the detail set out in paragraph 244.

### **Changing to a new version of a standard**

250. The funding rules in this section will apply irrespective of the apprentice's start date and will include existing learners who started their apprenticeship in previous funding years. They will apply where an existing apprentice wishes to move to a newer version of the same standard including those assigned new version costs under [IfATE's revisions, adjustments and dispensations process](#).



- 250.1. Apprentices already engaged on the earlier version of a standard may transfer to the latest version of the same standard (that is where the ST number remains the same) at any stage within their apprenticeship subject to meeting the rules on end-point assessment. Where an apprentice is already engaged on a standard which has been replaced with a new apprenticeship standard (that is with a new ST code), this would be treated as a change of programme.
251. Where an apprentice wishes to move to a new version of a standard, the provider must ensure that this is agreed by them, the apprentice and their employer.
- 251.1. The provider must make the apprentice and employer aware of the differences between the version of the apprenticeship the apprentice is registered on, in comparison to the one they are transferring to, in terms of the demands of the standards and the requirements of the end-point assessment plan.
- 251.2. The main provider and employer must update both the apprenticeship agreement and the training plan to reflect this agreement.
252. Where an apprentice changes version, the provider must make sure that the training and assessment they receive across the whole apprenticeship delivers occupational competence in all aspects of the new standard version and enables them to pass the end-point assessment.
253. Apprentices must not move back to a previous version of the same standard once they have moved to a new version.
254. Apprentices who are returning from a break in learning may return to the version of the standard they were on before their break in learning, even where it has been closed to new starts.
255. If the apprentice is already registered with an end-point assessment organisation, the provider must:
- 255.1. Confirm with them that they will be approved and ready to deliver the end-point assessment for the new version by the time the apprentice requires it, before enabling the apprentice to move versions; and
- 255.2. Inform them when the apprentice has transferred to a new version.
256. If the apprentice is not registered with an end-point assessment organisation, or the existing end-point assessment organisation is unable to confirm that they will be approved and ready to deliver the end-point assessment for the new version by the time the apprentice requires it, the provider must ensure that an

alternative end-point assessment organisation will be available and ready to deliver the end-point assessment for the new version before enabling the apprentice to move versions (subject to meeting the rules in paragraphs 104 and 105).

257. If no end-point assessment organisation will be approved and available to deliver the end-point assessment for the new version by the time the apprentice requires it, the apprentice must not transfer to the new version.
258. Where an apprentice is moving versions, there will be no change to how their standard is recorded on the ILR; the provider must continue to record them on the ILR on the standard that they started on.
259. Where the apprentice is funded through the apprenticeship service, the provider must ensure that the apprentice's details in the service are updated to assign them on to the new version.
260. The provider must make sure that the combined duration of the apprentice's time on the legacy version and the new version meets the apprenticeship minimum duration requirements.
261. Where an existing apprentice moves versions, they will continue the same funding band that they started on.
262. Employers may choose to re-negotiate the price with the main provider / end-point assessment organisation for the new version.
263. Employer-providers may wish to change the cost and / or re-negotiate the price with the end-point assessment organisation for the new version.
264. If the employer negotiates an overall price / the overall cost is more than the funding band maximum for the standard that the apprentice started on, then the employer must pay in full the difference between the band maximum for the original standard and the total cost. This cannot be funded from the apprenticeship service account.

## Evidence Requirements

265. Providers must give accurate unique learner number (ULN) information to the apprenticeship service, awarding organisations and end-point assessment organisations and ensure all information used to register an apprentice is correct.
266. Providers must hold evidence to assure us that they are using apprenticeship funding appropriately. Most evidence will occur naturally from their normal business process. If evidence is not available funding may be at risk.
- 266.1. Providers must make this evidence pack available to us on request.
- 266.2. The apprentice and / or employer must confirm the information they provide is correct when it is collected. Providers must have evidence of this, which can include electronic formats.
- 266.3. Where information is held centrally, providers only need to refer to the source.

## Confirmation and signatures

267. We accept electronic evidence, including electronic / digital signatures. Where evidence is electronic, providers must have wider systems and processes in place to assure that apprentices exist and are eligible for funds.
268. Where an electronic or digital signature is being held, from any party for any reason, providers must ensure it is non-refutable. Systems and processes must be in place to assure to us that the original signature has not been altered. Where any document needs to be renewed and a new signature taken, it must be clear from when the new document takes effect and both must be held.
- 268.1. Both electronic and digital signatures are acceptable, we do not specify which must be used, only that a secure process to obtain and store signatures is followed.
- 268.2. An electronic signature is defined as any electronic symbol or process that is associated with any record or document where there is an intention to sign the document by any party involved. An electronic signature can be anything from a check box to a signature.
- 268.3. A digital signature is where a document with an electronic signature is secured by a process making it non-refutable. It is a digital fingerprint which captures the act of signing by applying security to a document. Usually documents which have a digital signature embedded are extremely secure and cannot be accessed or amended easily.

269. Providers must keep effective and reliable evidence and are responsible for making the evidence they hold easily available to us when we need it.

## **Individualised learner record (ILR)**

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

271. Providers must accurately complete all ILR fields for an apprentice as required in the ILR specification, even if they are not used for funding. This includes reporting an accurate National Insurance number for the apprentice. Employers must also make sure that the PAYE scheme used in the apprenticeship service account for the apprentice is linked to the National Insurance number for the apprentice declared by the provider in the ILR. Where provider data does not support the funding they have claimed, we will take action to get this corrected and could recover funds.

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

## **Self-declarations**

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

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

### **New for 1 August 2023**

**274 to 308** - We have amended and clarified a number of areas within this section.

### **New for 31 October 2023 - Version 2**

**275** We have clarified the definition of ordinarily resident.

**276** We have clarified that a person who is in the country unlawfully, which includes someone who has overstayed their visa, is not ordinarily resident.

**277** We have clarified that learners who are temporarily outside of the UK for reasons such as education, employment or a gap year, should be considered ordinarily resident in the UK for the purposes of assessing eligibility.

**278** We have clarified that British armed forces, MoD personnel or civil crown servants on postings outside of the UK, can also be treated as ordinarily resident in the UK for the purposes of checking eligibility.

**280** We have clarified that all family members of UK nationals must meet the required residency eligibility criteria in their own right, unless they meet the criteria in the section entitled “UK nationals in the EEA and Switzerland”, or the criteria in the section entitled “Family members of an eligible person of Northern Ireland”.

**293** We have removed the immigration status ‘Exceptional leave to enter or remain’ as this no longer exists.

**293.3** We have corrected this category to reflect that only those with Indefinite leave to enter or remain as a victim of domestic violence or as a bereaved partner are exempt from the three-year residency requirement.

**293.7** We have updated this section to include Afghan Citizens Resettlement Scheme.

**302.4 Policy update:** Crown servants posted overseas who are, or were immediately prior to the posting, ordinarily resident in England are eligible for apprenticeship funding.

### **New for 28 March 2024 – Version 3**

**286** We have corrected this paragraph to reflect that this should be ‘EU’ national (principal) and not ‘UK’.

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

## **Definition of ordinarily resident**

275. For funding purposes, the DfE regards as ordinarily resident in a given country any person who habitually, normally and lawfully resides from choice and for a settled purpose in that country.
276. A person who is in the country unlawfully, which includes someone who has overstayed their visa, is not ordinarily resident.

## **Temporary absences from the UK**

277. Learners who are temporarily outside of the UK for reasons such as education, employment or a gap year, should be considered ordinarily resident in the UK for the purposes of assessing eligibility for apprenticeship funding upon their return to the UK.
278. British armed forces, MoD personnel or civil crown servants on postings outside of the UK, can also be treated as ordinarily resident in the UK for the purposes of checking eligibility for apprenticeship funding upon their return to the UK.

## **UK nationals and other persons with right of abode**

279. UK nationals or other persons with a right of abode have an eligible residency status if they have been ordinarily resident in the UK or the British Overseas Territories, or the Crown Dependencies (Channel Islands and Isle of Man) for at least the previous 3 years on the first day of the apprenticeship.
280. All family members of UK nationals must meet the required residency eligibility criteria in their own right, unless they meet the criteria in the section entitled "UK nationals in the EEA and Switzerland", or the criteria in the section entitled "Family members of an eligible person of Northern Ireland".
281. The British Overseas Territories are listed in the 'Countries or areas where residency establishes eligibility for our funding' section below.

## **UK nationals in the EEA and Switzerland**

282. UK nationals and their family members who:

282.1. Resided in the EEA or Switzerland by 31 December 2020 (or resident in the UK, having moved there from the EEA or Switzerland after 31 December 2017), and

282.2. Resided in the EEA, Switzerland, Gibraltar or the UK for at least the previous 3 years before the start of the apprenticeship, and

282.3. Remained ordinarily resident in the UK, Gibraltar, the EEA or Switzerland between 31 December 2020 and the start of the apprenticeship, and

282.4. The apprenticeship starts before 1 January 2028.

## **EEA and Switzerland nationals in the UK with EU Settlement Scheme (EUSS) status**

283. EEA and Switzerland nationals have an eligible residency status if they have obtained either pre-settled or settled status in the EUSS and have lived continuously in the EEA, Switzerland, Gibraltar, or the UK for at least the previous 3 years on the first day of their apprenticeship.

284. Although the deadline for most people to apply to EUSS was 30 June 2021, there may be individuals who have reasonable grounds for making a late application to EUSS and there may also be some individuals who have made an EUSS application on time but are still waiting on a final decision on their status from the Home Office, including those that have lodged an appeal. Once a valid application has been made to EUSS (evidenced by receipt of a certificate of application), the applicant will have temporary protection, pending the outcome of that application.

## **Family members of EU Nationals**

285. A family member of an EU national is eligible for funding if:

285.1. Where required to do so, they have obtained pre-settled or settled status under EUSS, and

285.2. The EU national (principal) has obtained pre-settled or settled status under EUSS and has been ordinarily resident in the UK, EEA and / or Switzerland for at least the previous 3 years on the first day of their apprenticeship.

286. A “family member” for these purposes is either:

- 286.1. The husband, wife, civil partner of the EU national (principal); or
- 286.2. The child, grandchild, spouse's child or spouse's grandchild of the EU principal who is either:
  - 286.2.1 under 21, or
  - 286.2.2 dependant on the principal and / or his / her spouse, or
- 286.3. The dependant parent or grandparent of the principal or of the principal's spouse.

## **Irish citizens in UK or Ireland**

- 287. Irish citizens in the UK or Republic of Ireland have an eligible residency status if they have been ordinarily resident in the UK and Islands, and / or Republic of Ireland for at least the previous 3 years on the first day of the apprenticeship.

## **Irish citizens in EEA and Switzerland**

- 288. Irish citizens have an eligible residency status if they:
  - 288.1. Resided in the EEA or Switzerland by 31 December 2020 (or resident in the UK, having moved to the UK from EEA or Switzerland after 31 December 2017), and
  - 288.2. Resided in the EEA, Switzerland, Gibraltar or the UK for at least the previous 3 years on the first day of the apprenticeship, and
  - 288.3. Remained ordinarily resident in the UK, Gibraltar, the EEA or Switzerland between 31 December 2020 and the start of the apprenticeship, and
  - 288.4. Start their apprenticeship before January 2028.

## **Other non-UK nationals**

- 289. Non-UK nationals are eligible for funding if:
  - 289.1. They have been ordinarily resident in the UK and Islands for at least the previous 3 year period on the first day of the apprenticeship;
  - 289.2. Whose ordinary residence in the UK and Islands has not during any part of that period been wholly or mainly for the purpose of receiving full-time education; and
  - 289.3. Have permission granted by the UK government to live in the UK and such permission is not for education purposes only.



## **Family members of an eligible person of Northern Ireland**

290. Family members of an eligible person of Northern Ireland have an eligible residency status if:
- 290.1. They have been living in the UK by 31 December 2020; and
  - 290.2. They have obtained pre-settled or settled status under EUSS; and
  - 290.3. The eligible person of Northern Ireland (principal) has been ordinarily resident in the UK by 31 December 2020, for at least the previous 3 years on the first day of the apprenticeship.

## **Joining family members under the EU Settlement Scheme**

291. Family members of an EEA or Swiss national can apply to EUSS after 30 June 2021, if they are joining them in the UK on or after 1 April 2021. They have 3 months to apply to EUSS from the date they arrive in the UK. They will have temporary protection and therefore be eligible for funding during those 3 months and pending the outcome of any EUSS application made during that period (and of any appeal).
292. The joining family member must also be ordinarily resident in the UK, Gibraltar, EEA, and / or Switzerland for at least the previous 3 years on the first day of the apprenticeship.

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

293. Any individual with any of the statuses listed below, is eligible to receive funding and is exempt from the 3-year residency requirement rule. Providers must have seen the individual's immigration permission (see the evidence requirements for learner eligibility) in these circumstances:
- 293.1. Refugee status;
  - 293.2. Discretionary leave to enter or remain;
  - 293.3. Indefinite leave to enter or remain as a victim of domestic violence or as a bereaved partner;
  - 293.4. Humanitarian protection;
  - 293.5. Leave outside the rules;
  - 293.6. Ukraine schemes:

- 293.6.1 Individuals with leave to enter or remain in the UK under the Ukraine Family Scheme.
- 293.6.2 Individuals with leave to enter or remain in the UK under the Ukraine Sponsorship Scheme (Homes for Ukraine).
- 293.6.3 Individuals with leave to enter or remain in the UK under the Ukraine Extension Scheme.
- 293.7. Afghan Relocation and Assistance policy (formerly known as Locally Engaged Staff under the intimidation policy) or Afghan Citizens Resettlement Scheme;
- 293.8. The husband, wife, civil partner and child of any of the above in this paragraph (that is paragraphs 293.1 to 293.7);
- 293.9. Section 67 of the Immigration Act 2016 leave;
- 293.10. A child of a person who has received leave under section 67 of the Immigration Act 2016 will be eligible in line with rule 293.9 where they have been granted “leave in line” by virtue of being a dependent child of such a person.
- 293.11. Calais leave to remain;
- 293.12. A child of a person who has received Calais leave to remain will be eligible in line with rule 293.11 where they have been granted “leave in line” by virtue of being a dependent child of such a person.
- 293.13. Afghanistan schemes:
  - 293.13.1 British Nationals evacuated from Afghanistan under Operation Pitting; or
  - 293.13.2 British Nationals evacuated from Afghanistan by the UK government before 6 January 2022.
- 294. The individual’s immigration permission in the UK may have a ‘no recourse to public funds’ condition. This does not include education or education funding, so this does not affect an individual’s eligibility, which must be decided under the normal eligibility conditions.

## **Asylum seekers**

- 295. Asylum seekers and individuals who have made further protection-based submissions are eligible to receive funding if they:

- 295.1. Have a valid permission to work granted by the Secretary of State for the Home Department. Any permission to work granted will only be valid until the claim has been finally determined and any appeals rights exhausted.

## **Children of Turkish workers**

296. A child of a Turkish worker is eligible if:

- 296.1. The Turkish worker was ordinarily resident in the UK on or before 31 December 2020 and has Turkish European Community Association Agreement (ECAA) rights or extended ECAA leave; and

- 296.2. The child has been ordinarily resident in the EEA and / or Turkey for at least the previous 3 years on the first day of the apprenticeship and is resident in the UK on or before 31 December 2020.

## **Persons granted stateless leave**

297. A person granted stateless leave is a person who has:

- 297.1. Extant leave to remain as a stateless person under the immigration rules (within the meaning given in section 33(1) of the Immigration Act 1971).

- 297.2. Been ordinarily resident in the UK and Islands throughout the period since the person was granted such leave. The UK and Islands are England, Scotland, Wales, Northern Ireland, the Channel Islands and the Isle of Man.

298. A stateless person must:

- 298.1. Be ordinarily resident in the UK on the first day of the apprenticeship; and

- 298.2. Have been ordinarily resident in the UK and Islands throughout the 3-year period preceding the first day of the apprenticeship.

299. Certain family members are also eligible under this category:

- 299.1. The spouse or civil partner of a person granted stateless leave (and who was the spouse or civil partner of that person on the leave application date), who is ordinarily resident in the UK on the first day of the apprenticeship and who has been ordinarily resident in the UK and Islands throughout the 3-year period preceding the first day of the apprenticeship; or

- 299.2. The child of a stateless person or of the stateless person's spouse or civil partner (and who was the child of that stateless person or the child of the stateless person's spouse or civil partner on the leave application date), was under 18 on the leave application date, is ordinarily resident in the UK on the first day of the apprenticeship and has been ordinarily resident in the UK and Islands throughout the 3-year period preceding the first day of the apprenticeship.
- 299.3. 'Leave application date' means the date on which a persons granted stateless leave made an application to remain in the UK as a stateless person under the immigration rules (within the meaning given in section 33(1) of the Immigration Act 1971).

## **Immigration status**

300. Any individual, or relevant family member, who has applied for an extension or variation of their current immigration permission in the UK is still treated as if they have that leave. Keeping this permission applies as long as the application was made before their current permission expired. Their leave continues until the Home Office make a decision on their immigration application.
301. An individual, or relevant family member, is considered to still have the immigration permission that they held when they made their application for an extension. Their eligibility would be based upon this status.

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

302. As an exception, we will also allow the following individuals to be funded from an employer's apprenticeship service account or using government-employer co-investment:
- 302.1. Armed forces and Royal Fleet Auxiliary personnel and their family members to undertake a statutory English apprenticeship wherever they are based.
- 302.2. Individuals of other nationalities serving as members of the British armed forces throughout their period of service and their dependants living with them on their postings, in the same way as members of the British armed forces and their family members. This does not apply to family members who do not join members of the armed forces and instead stay outside of England.
- 302.3. Members of other nations' armed forces stationed in England and their family members, where the family member has a right to work in the United Kingdom, if the armed forces' individual has been ordinarily

resident in England for three years. We will not fund family members that stay outside of England.

- 302.4. Crown servants posted overseas who are, or were immediately prior to the posting, ordinarily resident in England.
- 302.5. Apprentices whose occupation involves significant travel outside of the UK as part of their job (such as in travel or tourism) or work offshore (such as on an oil platform) and they have an identified registered work location in England. Providers must not claim for the additional expense of delivering learning outside of England.

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

303. 16 to 18-year-olds are eligible to be funded for an apprenticeship if any of the following clauses apply:
  - 303.1. They are accompanying or joining parents who have the right of abode, leave to enter, or leave to remain in the UK;
  - 303.2. They are the children of diplomats;
  - 303.3. They are the children of teachers coming to the UK on a teacher exchange scheme;
  - 303.4. They are entering the UK (where not accompanied by their parents) and are British citizens;
  - 303.5. They have a passport that has been endorsed to either show they have the right of abode in the United Kingdom or to show that they have no restrictions on working in the UK;
  - 303.6. They are placed in the care of the local authority; or
  - 303.7. They meet the requirements for any other eligible category in this document.
304. Further information on eligibility can be found from the [UK Council for International Student Affairs](#) (UKCISA).

## Countries or areas where residency establishes eligibility for our funding

305. British Overseas Territories:
  - Anguilla

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

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

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

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

Denmark	The following is part of Denmark: <ul style="list-style-type: none"> <li>• Greenland</li> <li>• Faroe Islands</li> </ul>
Finland	The following is part of Finland and the EU: <ul style="list-style-type: none"> <li>• Aland islands</li> </ul>

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

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

To note: “the Islands” means the Channel Islands and the Isle of Man.

# Glossary

## Accelerated apprenticeship

An accelerated apprenticeship is where the apprentice's planned duration is shorter (by at least 3 months) than the typical duration of the standard, based on prior learning. The minimum requirement of an apprenticeship must still be met, including the 12-month minimum duration and minimum volume of off-the-job training.

## Active learning

Active learning refers to the training that is being funded through the apprenticeship (i.e. off-the-job training and / or English and maths training).

## Additional payments

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

## Advanced learner loan

Loans for individuals aged 19+ to provide financial support towards tuition costs. These loans are paid directly to the college or training organisation. These are not applicable to apprenticeships.

## Annual leave

Paid time off work that employees are entitled to. For full time apprentices, this is at least 28 days per year (this is called statutory leave entitlement).

## Apprentice

An individual who is doing an apprenticeship and is engaged under an apprenticeship agreement (or an alternative English apprenticeship).

## Apprentice rate

This is the minimum hourly rate apprentices are entitled to if they are either aged under 19 or aged 19 and over and in their first year of an apprenticeship. We encourage employers to pay more than the apprentice rate. View the [National Minimum Wage](#) rates on GOV.UK.

## Apprenticeship

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



## **Apprenticeship agreement**

An apprenticeship agreement is between an employer and an apprentice, in accordance with section A1 of the [Apprenticeships, Skills, Children and Learning Act 2009](#).

## **Apprenticeship certificate**

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

## **Apprenticeship levy**

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

## **Apprenticeship Provider and Assessment Register (APAR)**

A record of organisations that:

- are eligible to receive government funding to train apprentices
- can undertake end-point assessments

## **Apprenticeship service account**

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

## **Assessment**

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

## **Block release**

A concentrated period of time where the apprentice is training as part of their apprenticeship. Block release may also include training that is front-loaded at the beginning of the apprenticeship.

## **Break in learning**

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

## **Care leaver**

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

## **Care leaver bursary**

An additional £3,000 payment (paid in three instalments) that we pay to apprentices who are care leavers. This is paid via the apprentice's provider.

## **Certificates**

Issued by awarding bodies to demonstrate an individual's qualifications, for example Level 2 English and maths. During audit, certificates may be checked as proof of prior learning.

## **Change of circumstance**

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

## **Co-investment**

This is where the government shares the cost of training and assessing apprentices with employers. The government will support the following types of employers: non-levy payers and levy payers who have run out of levy funds.

For apprenticeships that started on or after 1 April 2019, employers (who either do not pay the levy or levy payers who have run out of levy funds) pay 5% towards the cost of apprenticeship training. The government will pay the rest (95%) up to the funding band maximum.

## **Commitment**

An internal DfE term used to describe an employer entering information in their apprenticeship service account.

## **Commitment statement**

This is now called training plan.

## **Complete early**

When an apprentice completes all their training and assessment (including end-point assessment) before the planned end date recorded by the provider on the ILR. If the apprenticeship has met the minimum 12-month duration, we will pay any outstanding amounts once we have been notified of completion. View the [Technical Funding Guide](#) for details about how payments are made.

## **Completion payment**

A payment we make to providers when an apprentice completes all their learning and undertakes the end-point assessment (the apprentice does not need to pass). This payment is 20% of either the total negotiated price or the funding band maximum, whichever is lower.

## **Contract for services**

A contract between a contractor and a client (e.g. a provider and an employer).

## **Contract of service**

A contract between an employee and an employer.

## **Degree apprenticeship**

A level 6 or 7 apprenticeship that mandates a full bachelor's or master's degree. The degree element can either be integrated or non-integrated into the apprenticeship.

An integrated degree apprenticeship has an end-point assessment which is integrated into the degree so there is no separate assessment. The Institute's policy on [degree apprenticeship standards](#) has more information about the different types of integration.

A non-integrated degree apprenticeship features separate processes for the end-point assessment and the achievement of the degree element.

## **Diagnostic testing / diagnostic assessment**

A diagnostic assessment is a form of pre-assessment where tutors can evaluate strengths, weaknesses, knowledge and skills before their instruction. An identical assessment may be given post-instruction to identify if course learning objectives have been met.

## **Digital account**

See 'Apprenticeship service account'

## **Disability**

See 'Learning difficulty or disability (LDD)'

## **Dismissal**

When an employee's contract of employment is terminated.

## **Distance learning**

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

## **Double funding**

Where multiple funding sources are used for the same activity.

## **Earnings adjustment statement (EAS)**

The [earnings adjustment statement](#) is how providers claim funding that cannot be claimed through the individualised learner record.

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

An education, health and care (EHC) plan is for children and young people aged up to 25 who need more support than is available through special educational needs support. An EHC plan identifies educational, health and social needs and sets out the additional support to meet those needs.

## **Eligibility**

This can refer to either learner eligibility or programme eligibility. In both cases the eligibility criteria must be met in order to access apprenticeship funding. Learner eligibility criteria includes age and the right to work in England. Programme eligibility criteria includes the minimum amount of off-the-job training needed and the minimum duration of training needed.

## **Eligible costs**

Costs that directly relate to the delivery of training and on-programme assessment. These eligible costs make up the total negotiated price, which is paid for using funds from either an employer's apprenticeship service account or through co-investment.

## **Employee**

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

## **Employer**

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

## **Employer agreement**

Employers must accept this agreement to get or reserve apprenticeship funding. This agreement sets out the terms for use of the Apprenticeship Service by the employer and the obligations by which the employer agrees to be bound. It applies to all employers including those that pay the apprenticeship levy as well as those employers that do not pay the apprenticeship levy.

## **Employer-Provider**

An employer-provider is a levy-paying organisation that is on the 'employer-provider' route of the Apprenticeship Provider and Assessment Register (APAR). They may be a 'provider' or a 'subcontractor'. See also 'Provider' and 'Subcontractor'.

## **End-point assessment (EPA)**

An assessment that takes place at the end of an apprenticeship, to make sure apprentices have reached the necessary level of competence to be awarded an apprenticeship certificate. The requirements for end-point assessment are set out in the assessment plan for each specific standard.

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

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

## **English and maths**

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

## **Evidence pack**

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

## **Exceptional learning support (ELS)**

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

## **Final day**

Defined in legislation as the final day of the practical period. This is the equivalent of the learning end date on the ILR (there must be evidence of learning on this learning end date) and internally it is also referred to as the "gateway" between the practical period

and the end-point assessment. The term ‘final day’ is used as a measure in the redundancy policy to determine if the apprentice will be fully funded to completion.

### **Flexi-Job Apprenticeship Agency (FJAA)**

An organisation (that are a distinct legal entity, so apprentices have contracts of employment with the FJAA) that recruits and employs apprentices on behalf of employers. FJAAs are targeted at sectors or professions where existing employment models present a structural barrier to the greater use of apprenticeships.

### **FJAA Conditions of Registration**

The Register of Flexi-Job Apprenticeship Agencies: [Conditions of Registration](#) published on GOV.UK, as revised and amended from time to time.

### **Front-loaded training**

Where some off-the-job training is concentrated at the beginning of the apprenticeship. Note that where some off-the-job training is front-loaded, there must still be some delivery every calendar month to underpin the monthly payment made to providers.

### **Full-time apprentice**

An individual engaged on an apprenticeship who works 30 hours or more per week.

### **Functional skills**

A type of English and maths qualification. See also ‘English and maths’.

### **Funding band**

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

### **Funding rules**

See ‘Apprenticeship funding rules’.

### **Gateway**

See ‘Final day’.

## **Gateway requirements**

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

## **Higher apprenticeships**

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

## **Host Employer**

An organisation who hosts an apprentice on a placement which is organised by a Flexi-Job Apprenticeship Agency. Also known as 'Hirers'.

## **Immigration permission**

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

## **Individualised learner record (ILR)**

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

## **Inducement**

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

## **Ineligible costs**

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

## **Initial assessment**

The process of identifying an individual's learning and support needs to enable the design of an individual training plan. It determines the learner's starting point for their apprenticeship.

## **(The) Institute**

The Institute of Apprenticeships and Technical Education.

## **Integrated apprenticeship / standard**

See 'Degree apprenticeship'.

## **IR35**

Off-payroll working rules make sure that a worker (sometimes known as a contractor) pays broadly the same Income Tax and National Insurance as an employee would.

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

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

## **Learning actual end date**

The date when learning towards the apprenticeship is complete. This can include off-the-job training and English and maths. There must be evidence of learning on this day.

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

An apprentice having a learning difficulty or disability may form part of a need's assessment and if it directly impacts on their apprenticeship learning, they could be eligible for learning support. See also 'Learning support'.

## **Learning gap**

Where an apprentice has a gap in their learning or knowledge due to not having obtained certain skills or behaviours.

## **Learning planned end date**

When learning towards the apprenticeship is planned to finish.

## **Learning start date**

This is when learning, which is being funded by the apprenticeship budget, begins. It can include off-the-job training and English and maths. It does not include enrolment, initial assessment or induction. There must be evidence of learning on this date.

## **Learning support**

Financial support that providers can claim to help with the cost of any reasonable adjustments directly related to an apprenticeship. Currently a fixed monthly amount of



£150. Any extra cost can be claimed through the Earnings Adjustment Statement (EAS). Learning support must only be used to support apprentices who have been assessed as having a learning disability or difficulty (for which a reasonable adjustment is required in order for them to undertake their apprenticeship) and is not to be used to address learning gaps.

## **Levy**

See 'Apprenticeship levy'.

## **Levy-paying employer**

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

## **Main provider**

A main provider is an organisation that is on the 'main provider' route of the Apprenticeship Provider and Assessment Register (APAR). They may be a 'provider' or a 'subcontractor'. See also 'Provider' and 'Subcontractor'.

## **Maternity leave**

See 'Parental leave'

## **Mentoring**

To be included as off-the-job training, mentoring must meet the definition of off-the-job training (new learning, relevant to the apprenticeship, not English and maths, delivered within normal working hours) and be documented in the training plan. The mentor must be a more senior or experienced member of staff. This does not include general line management. The apprentice must not be doing productive work.

## **Minimum duration**

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

## **National Minimum Wage**

View the [National Minimum Wage](#) rates on GOV.UK. See also 'Apprentice rate'.

## **Non-integrated apprenticeship / standard**

See 'Degree apprenticeship'.

## **Non-levy paying employer**

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

## **Non-mandatory qualification**

A qualification that an apprentice does not require to achieve an apprenticeship. We will pay for any training within a non-mandatory qualification that overlaps with the knowledge, skills and behaviour requirements of the apprenticeship standard. The employer must pay for any peripheral costs such as registration, examination and certification.

## **Normal Working hours**

The apprentice's paid hours, not including any overtime. Legally, there are [maximum weekly working hours](#).

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

Defined as training which is delivering new skills, is relevant to the apprenticeship and is not English and maths, which is delivered in the apprentice's normal working hours (but outside of their productive job role). From 1 August 2022, full-time apprentices must spend an average of 6 hours per week on off-the-job training; the volume delivered must be linked to the initial assessment of the apprentice and therefore may be more than 6 hours per week.

## **Onboarding (of the apprentice)**

Following the initial assessment, onboarding of the apprentice will include agreeing a price with the employer and developing, agreeing and signing any relevant paperwork to support the apprenticeship, such as the training plan. Onboarding does not include training delivery and therefore does not count towards the off-the-job training policy.

## **Online learning**

See 'Distance learning'.

## **On-programme assessment**

Any assessment activity required as a result of a mandatory qualification during the programme (e.g. an exam at the end of a module). This is different to the end-point assessment, which is an assessment that takes place at the end of an apprenticeship, and different to a progress review, which discusses overall progress to date against the training plan at periodic points during the programme.

## **On-the-job training**

Learning done outside of the apprenticeship, to help an apprentice perform their job.

## **Ordinarily resident**

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

## **OTJ**

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

## **Parental leave**

When an employee takes time off work due to maternity leave, paternity leave, shared parental leave or adoption leave. Depending on the duration, parental leave may count as a break in learning, See also 'Break in learning'.

## **Part time apprentice**

An individual engaged on an apprenticeship who works less than 30 hours per week.

## **Paternity leave**

See 'Parental leave'.

## **Pay bill**

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

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

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

## **Practical period**

The period for which the apprentice is expected to work and receive training under an approved English apprenticeship agreement. The start date and the end date of the practical period (as recorded on the apprenticeship agreement and training plan) must align with the planned learning start date and the learning end date on the ILR.

## **Previous rules**

There are different funding rules for different apprenticeship start dates. Providers and employers must follow the funding rules that apply to each apprentice. View the [apprenticeship funding rules](#) for previous years.

## **Prior learning**

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

## **Productive job role**

The job for which the apprentice has been employed by the employer.

## **Progress review**

The provider must undertake a progress review, with the employer and the apprentice, to discuss the progress to date of the apprentice against their training plan, at least 4 times per year. These must be carried out at least every 12 weeks, unless there is an evidenced delivery reason, such as module length, that means an alternative frequency is more appropriate.

## **Progression profiles**

Progression Profiles, developed in conjunction with employers and published by the Institute, demonstrating progression routes from T-Levels - including into apprenticeships and accelerated apprenticeships.

## **Provider**

An organisation holding a funding agreement with us through which we directly route funds from an employer's apprenticeship service account or co-investment. This may be an organisation that is either on the 'main provider' route or the 'employer-provider' route of the Apprenticeship Provider and Assessment Register (APAR). This organisation will have the overall responsibility for the training and on-programme assessment conducted by themselves and their (delivery) subcontractors and will hold the contractual relationship for the end-point assessment organisation of the apprentice.

See also 'Main provider' and 'Employer-provider'.

## **Provider Agreement**

A legally binding funding agreement between a provider and the Secretary of State. Providers must accept this agreement to manage apprenticeships on the apprenticeships service and receive funding from the Secretary of State.

## **Quality Framework for Flexi-Job Apprenticeship Agencies**

The [framework](#) set out by the Department on GOV.UK that includes Quality Indicators and Supplementary Indicators to which the Flexi-Job Apprenticeship Agency must adhere, as updated and amended from time to time.

### **Receiving employers**

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

### **Redundancy**

The statutory definition of redundancy (Employment Rights Act 1996) identifies three sets of circumstances (business closure, workplace closure, diminished requirements of the business for employees to do work of a particular kind) and an employee's dismissal can be considered to be by reason of redundancy if one of these circumstances is the reason for the dismissal. Redundancy includes voluntary redundancy. See also 'Change of circumstance'.

### **Register of Flexi-Job Apprenticeship Agencies**

A list of organisations that are eligible to deliver the FJAA model of employing apprentices directly (for the duration of their apprenticeship) and arranging placements with host employers. To be added to the register, organisations must pass tests on due diligence, financial health and tests on quality, capacity and capability.

### **Resit**

Taking a mandatory qualification or the end-point assessment again, without any extra learning.

### **Retake**

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

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

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

### **Sending employers**

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

## **Skills scan**

A skills scan is an assessment of the individual's knowledge, skills and behaviours (KSBs), as they relate to the apprenticeship standard. We are not prescriptive as to what tool or method is used for the skills scan, but it must evaluate and document the extent to which the individual meets each KSB and therefore which elements of the standard do not need to be re-taught. The assessment should be validated as accurate by the individual's line manager / employer.

## **Sole trader**

A person who conducts business by their own personality and not with any other corporate personality.

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

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

## **Standards**

An apprenticeship standard describes the occupation to which it relates and sets out the outcomes that persons seeking to achieve the standard are expected to attain in order to successfully complete the apprenticeship. Apprenticeship standards are approved and published by the Institute for Apprenticeships and Technical Education. Apprentices can only be enrolled against an apprenticeship standard once it is identified as 'approved for delivery' on the [Institute for Apprenticeships and Technical Education](https://www.institute-for-apprenticeships.org.uk/) website.

## **Subsidy control**

The UK subsidy control regime began on 4 January 2023. It enables public authorities, including devolved administrations and local authorities, to give subsidies that are tailored to their local needs, and that drive economic growth while minimising distortion to UK competition and protecting our international obligations.

## **Statutory leave**

See 'Annual leave'.

## **Subcontract**

An agreement entered into between the provider and a subcontractor.

## **Subcontracting**

Any delivery to an apprentice's programme of learning by a separate legal entity (a subcontractor). It does not matter if this is by a third party recruited to deliver on site (travel to teach), online learning or whether it is described as a service.

## **Subcontractor**

A separate legal entity or an individual (not an employee) that has an agreement (called a subcontract) with a provider to deliver any element of the education and training we fund. A separate legal entity includes but is not limited to companies in the provider's group, other associated companies and sole traders. An individual could include a person who is a sole trader, self-employed, a freelancer or someone who is employed by an agency, unless those individuals are working under the direct management of the provider and are controlled in the same way as the provider's own employees. This does not include relationships between the provider and the end-point assessment organisation or the provider and other third parties providing services such as marketing.

## **Supporting Provider**

A supporting provider is an organisation that is on the 'supporting provider' route of the Apprenticeship Provider and Assessment Register (APAR). They may only act as a 'subcontractor'. See also 'Subcontractor'.

## **The apprenticeship service**

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

## **Total negotiated price (TNP)**

The price negotiated between an employer and main provider for all the eligible costs of an apprentice's training and assessment, after relevant prior learning has been taken into account. See also 'Eligible costs' and 'Ineligible costs'.

## **Training**

See off-the-job training.

## **Training plan**

The training plan sets out the training that has been identified through the initial assessment as required to complete the apprenticeship. The plan also outlines how the apprentice will be supported to successfully achieve the apprenticeship. It must be signed by the apprentice, their employer and the provider and all parties must retain a current signed and dated version.

## **Transfer of funds**

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

## **Transfer to a new employer**

See 'Change of circumstances'.

## **Transfer to a new provider**

See 'Change of circumstances'.

## **Unique learner number (ULN)**

A 10-digit reference number. This can be used to access or edit the personal learning record (PLR) of anyone that is in education or training and older than 14.

## **Withdrawal**

When an apprentice leaves or stops taking part in their apprenticeship before they have completed it. This could be temporary (i.e. a break in learning) and the apprenticeship can be restarted. See also 'Change of circumstances'.

## **Work experience**

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

## **Working hours**

See 'Normal working hours'.

## **Written agreement**

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

## **Zero-hour contracts**

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





Department  
for Education

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