



Funding Rules 2015 to 2016 Version 2 Addendum 3

Introduction

1. The amendments forms part of the terms and conditions of the funding agreements and the 24+ Advanced Learning Loans Facility Conditions between the Secretary of State for Business, Innovation and Skills acting through the Skills Funding Agency (SFA) and all providers of education and training who receive funding from the SFA or a 24+ Advanced Learning Loan (Loan) Facility.
2. The amendment reflects the change to the provider eligibility criteria for traineeships.
3. We will apply the change to the funding rules from 1 February 2016. It applies only to learners who start a traineeship on or after that date.
4. We have identified the amendment by striking through the text that is no longer applicable and underlining added text.

Paragraph	Text
Section 2 – The Adult Skills Budget including Apprenticeships	
Traineeships	
Provider eligibility and contracting	
323.	If you are not under notice as described in paragraph 322 then you are eligible to deliver traineeships if you:
323.1.	have an Ofsted inspection grade of Outstanding (Grade 1) or Good (Grade 2)
323.2.	were previously eligible to deliver traineeships due to meeting the requirement set out in paragraph 323.1, and you started to deliver traineeships, but since then you dropped to an Ofsted grade of Requires Improvement (Grade 3) during delivery.
325.	If you are eligible to deliver traineeships under 323.2, the following conditions will apply.
325.1.	You can continue to support existing learners and start new learners on the traineeship programme, but you cannot increase the volume of your 2015 to 2016 delivery above that which you delivered in 2014 to 2015 until you are re-inspected and achieve a Grade 1 or 2. If you did not deliver in 2014 to 2015 and therefore do not have a baseline, we will review each case on an individual basis.
325.2.	If you do not improve to a Grade 1 or 2 following your first re-

	inspection, you will no longer be eligible to deliver traineeships.
326.	If you hold Ofsted Grade 1 or 2 and you are also <u>are</u> under notice, from either us, or the EFA, for financial health or financial management and control, we will assess you to determine whether we will permit you to deliver traineeships. This includes Notices to Improve issued by the EFA and Notices of Concern or Notices of Breach issued by us.
Learner eligibility	
331.	We consider offenders released on temporary licence (RoTL) as unemployed and therefore can undertake a traineeship. However, only those offenders from a prison that holds both:
331.1.	an eligible Ofsted inspection and
331.2.	has received feedback through Her Majesty's Inspectorate of Prisons inspection that leads us to judge their education and training provision to be 'Outstanding' or 'Good' can undertake a traineeship.