

APPRENTICESHIP FUNDING RULES FOR EMPLOYERS – 2019/20

Summary of changes

| Section | New Rules | What it says in the new funding rules |
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| Introduction and purpose of the document | <p>Apprenticeship delivery must not take place without approval from an associated regulatory body where this is needed.</p> <p>The funding rules have been updated to reflect that some occupations require the training provider to be approved by a regulatory body before being able to deliver apprenticeships.</p> | <p>“E11 Some occupations require the training provider to be approved by a regulatory body before being able to deliver training for the apprenticeship. We may take action to recover apprenticeship funding where you have delivered training but do not have the necessary approval. For more information on regulated occupations please read a short guide to regulated occupations for training providers.”</p> |
| Off-the-job training | <p>For new starts from 1st August the number of planned off-the-job training hours, for the full apprenticeship, must be documented on the individualised learner record.</p> <p>More information on how to do this can be found on the ILR page on GOV.UK</p> | <p>“E45 The number of planned off-the-job training hours, for the full apprenticeship, must be documented on the apprenticeship agreement and the commitment statement. For starts on or after 1 August 2019 it must also be documented on the individualised learner record.”</p> |
| Who can be funded? | <p>The rule on funding for concurrent programmes has been expanded and moved into “individuals who are not eligible for funding”.</p> <p>The rule has also been expanded to allow an individual to attract funding for an apprenticeship and some AEB funded provision concurrently.</p> | <p>“E67 To use funds in your account or government employer co-investment, the individual must not:</p> <ul style="list-style-type: none"> • E67.1 be undertaking another apprenticeship; • E67.2 be undertaking training funded through AEB, where that training will: <ul style="list-style-type: none"> ○ E67.2.1 replicate vocational and other learning aims covered by the apprenticeship standard or framework, including English and maths; ○ E67.2.2 offer career related training that conflicts with the apprenticeship aims; or ○ E67.2.3 be taking place during working hours. Where an apprentice has more than one job, working hours refers to the hours of the job the apprenticeship is linked to. • E67.3 be in receipt of any other direct DfE funding during their apprenticeship programme; this includes any other DfE funded FE/HE programme including programmes funded by a student loan, but excludes funding outlined in P79.2; or • E67.4 undertake any part of an apprenticeship whilst on a sandwich placement as part of a degree programme.” |

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| Eligible costs | From 1st October 2019, new standards must have an EPAO in principle in place before Public funding can be accessed for new apprentices. | “E81 From 1st October 2019, new standards must have an EPAO in principle in place before public funding can be accessed for new apprentices. You must make sure that the apprenticeship is eligible before the individual starts by checking whether the standard has an EPAO in principle in place. It will be clear from ESFA and Institute systems to which standards this applies.” |
| Contracting and subcontracting | A statement of expectations is required when working with subcontractors as detailed in the new guidance published in May 2019. | <p>“E140 Your main provider must publish on their website a broad statement of the approach they take to subcontracting before agreeing the use of subcontractors with you. This should include their reason for subcontracting, all services they will provide when doing so and how they determine the associated costs.”</p> <p>“E141 Your main provider must clearly describe to you and your 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. This must include a; list of specific costs for managing the subcontractor, specific costs for quality monitoring activities, and specific costs for any other support activities offered by them to the subcontractor. All of these costs must be individually itemised and describe how each cost contributes to delivering high quality training. The main provider must also explain how such costs are reasonable and proportionate to delivery of the subcontracted apprenticeship training.”</p> <p>“E145.8 A detailed description of how the funding retained for each activity detailed in E145.5 to E145.7 contributes to delivering high quality training and how the funding retained is reasonable and proportionate to delivery of the apprenticeship training described in E145.5.”</p> |
| | The subcontracting rules have been updated to reflect the new register of apprenticeship training provider conditions including the types of delivery subcontractors that can be used to deliver apprenticeships. | <p>“E142 Where you ask them to use delivery subcontractors they must satisfy one of the following two criteria:</p> <ul style="list-style-type: none"> • E142.1 they are on the published Register of Apprenticeship Training Providers and have applied by the main or supporting application routes; or • E142.2 they are one of your connected company or charity as defined by HMRC and are on the published Register of Apprenticeship Training Providers, having applied through the employer provider application route.” |

| Section | Clarification of existing rules | What it says in the new funding rules |
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| Apprenticeship agreement between the employer and the apprentice | <p>An incomplete apprenticeship agreement means an apprentice is not working under an approved English apprenticeship.</p> <p>The funding rules have been updated to confirm that where an apprenticeship agreement is incomplete the apprentice does not have a valid agreement and will not be eligible to receive funding.</p> | <p>“E20 If the apprenticeship agreement is incomplete and/or does not meet the statutory requirements the individual will not have a valid agreement and will not be eligible to receive funding.”</p> |
| Off-the-job training | <p>The off-the-job training section has been updated, using the terminology found in legislation, to further aid understanding.</p> | |
| The commitment statement between the employer, apprentice and main provider | <p>The commitment statement section has been updated to further aid understanding.</p> <p>This includes the use of the terms:</p> <ul style="list-style-type: none"> - normal working hours; and - practical period of training. <p>A rule has been removed from this section to reflect that it is no longer necessary to include confirmation of funding sources.</p> | |
| Apprentices who need access to learning support. | <p>Learning support can be used to support identified learning needs directly associated with an apprenticeship, including costs associated with meeting those identified needs in end point assessment.</p> | <p>“E69 We will provide learning support for apprentices to help with learning that affects their ability to continue and complete their apprenticeship, including costs associated with meeting identified needs in end point assessment (where applicable). This can be claimed by your main provider for the period it is required. This will not be deducted from your apprenticeship service account or require employer co-investment.”</p> |
| Eligible costs | <p>The eligible costs section has been updated, expanding on the existing information, to further aid understanding.</p> | |
| Additional payments | <p>The definition of a child in care has been updated to confirm that a child must have been in the care of a UK local authority.</p> | <p>“E91 A child in care is defined as:</p> <ul style="list-style-type: none"> • E91.1 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; |

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| | | <ul style="list-style-type: none"> • E91.2 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 • E91.3 a former relevant child - a young person who is aged between 18 and 21 (up to their 25th birthday if they are in education or training) who, before turning 18, was either an eligible or a relevant child.” |
| End-point assessments | The end-point assessments section has been updated to further aid understanding and to reflect information shared out with the funding rules. | E126 – E137 |
| Apprenticeships funded by transfers of levy funds | The rules have been updated to confirm when a transfer of funds can be used. If an apprentice is changing employer, then the new employer can agree with a Sending Employer to use a transfer of levy to continue to fund the apprenticeship. | “E185 Employers receiving transferred funds will only be able to use them to pay for training and assessment for apprenticeship standards, for new apprenticeship starts. A transfer must be agreed and put in place before an apprentice (being funded by the transfer) starts their apprenticeship. The only exception to this is where the apprentice is changing employer and an agreement to continue their apprenticeship with their new employer is via a transfer of levy funds.” |
| Change of circumstance | The change of circumstance section has been updated to reflect the position on unemployment, as detailed elsewhere in the funding rules. This section now confirm where an apprentice is no longer employed they cannot continue with their apprenticeship (with the exception of redundancy). | “E220 An apprentice has to be employed continuously for the duration of the apprenticeship. If their employment is terminated, the individual cannot continue with their apprenticeship (with the exception of redundancy). When employment or an apprenticeship agreement has ended (resignation, dismissal or any other action by the apprentice or by you that results in the apprenticeship agreement ending) we must be notified that the apprentice has left in line with E235.” |
| | Following user research it was clear that more information around breaks in learning would be beneficial so we have clarified what a break in learning is and how to record a break in learning accurately. | <p>“E221 The apprentice may take a break in learning where they plan to return to the same apprenticeship programme. The decision to take a break in learning, the reason for the break and its expected duration must be agreed with you. This could include medical treatment, parental leave or leave for other personal reasons. The main provider should record breaks in learning on the ILR and re-plan the delivery of any remaining training and/or assessment following a break, if required. You should revise the apprenticeship agreement if required.</p> <p>A break in learning should not be recorded:</p> <ul style="list-style-type: none"> • E221.1 For annual leave, public holidays and short-term absence (up to 4 weeks); • E221.2 When employment or an apprenticeship agreement has ended (redundancy, resignation, dismissal or any other action by the apprentice or the employer that results in the apprenticeship agreement ending). Where an apprentice has been made redundant the |

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| | | main provider should refer to the redundancy section in the Apprenticeship funding rules for training providers.” |
| | The actions have been updated to include confirmation of what needs to happen if an apprentice is changing employer and the apprenticeship is now being funded by a transfer of levy, or continuation of funding via transfer | “E239.5 if the apprenticeship is now being funded by a transfer, or continuing to be funded by a transfer, then the receiving (new) employer will need to register on the apprenticeship service and the transfer will need to be agreed by the sending employer. For more information on how transfers work, please refer to the ‘Apprenticeships funded by transfer of levy funds’ section.” |
| | Information has been added and updated throughout the change in circumstance section to clarify the action taken, within the apprenticeship service, when a specific change of circumstance occurs. | |
| Evidence Pack | The rules have been updated to give more information into the evidence that must be held within the evidence pack. The section has also been restructured to reflect the new structure of the funding rules. | |

| Section | Additional Amendments |
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| The commitment statement between the employer, apprentice and main provider | <p>A link to the commitment statement template has been added. It is not mandatory to use this template. It can be found on the off-the-job training section of GOV.UK.</p> <p>https://www.gov.uk/government/publications/apprenticeships-off-the-job-training</p> |
| Programme eligibility | <p>The “what is an apprentice” section is now called “programme eligibility”.</p> |
| What is an apprenticeship | <p>The sub-title “a job with training” is now called “what is an apprenticeship”.</p> <p>The section has also been restructured to aid understanding to act upon user feedback.</p> |
| Recognition of prior learning and experience | <p>The sub-title of the section has been changed from “accounting for prior learning” to “recognition of prior learning and experience” to more accurately reflect the contents.</p> <p>This section has also moved from the “paying for an apprenticeship” section to the “programme eligibility” section.</p> |
| Support for English and maths training | <p>A flowchart has been created and added into the funding rules to help you find out what training your apprentice should do. This flowchart supports the English and maths rules and should be used alongside them.</p> |
| Change of circumstance | <p>A flowchart has been created and added into the funding rules to help you find out what to do if your apprentice wants to take a break in learning.</p> <p>This flowchart supports the rules on break in learning and should be used alongside them.</p> |
| Glossary | <p>New terms have been added to the glossary.</p> |