



Skills Funding
Agency

Trailblazer Apprenticeships Funding Rules 2015 to 2016

Version 1

July 2015

Of interest to providers, direct grant employers, group training association apprenticeship training agencies and registered assessment organisations delivering apprenticeship standards.

This document sets out the funding rules which apply to the new apprenticeship standards delivered under the Trailblazer apprenticeship programme.

In setting out the rules we have provided additional context and explanation to help providers delivering training and end-point assessment for the new apprenticeship standards.

These rules apply from 1 August 2015 to 31 July 2016 for all organisations in receipt of funding for the delivery of training or the end-point assessment of apprenticeship standards for the funding year 2015 to 2016

This document is supported by the [Guidance for recording Trailblazer apprenticeships in the Individualised Learner Record for 2015 to 2016](#).

We have developed the design, content and format of this document with the advice of, and input from, the employers, stakeholders and providers involved in the Trailblazer groups. We welcome your feedback on this version so that we can continue to improve it. If you have any technical queries on the rules or comments on the document itself, please email: trailblazerfundingenquiries@sfa.bis.gov.uk.

Lead providers and providers

- Information to give you a clear understanding of the rules.
- Rules about how you can claim funding from us for the training you have delivered.
- Guidance about your role in agreeing a price for training with the employer.
- Information to help you understand the core government contribution.
- Information and guidance about incentive payments and how and when these must be paid to the employer.
- Rules about contracts and written agreements.
- Rules about subcontracting delivery to other providers.

Direct grant employers

- Specific rules for direct grant employers to help you understand how funding for apprenticeship standards will work for you.

End-point assessment organisations

- Information about your responsibilities for apprenticeship standards and the rules you will need to follow.

Apprenticeship training agencies (ATAs)

- Specific rules for ATAs about how, as the legal employer of the apprentice, you will need to make employer co-payments towards the cost of training and assessment.
- Information about how and when incentive payments can be paid to host employers.

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Introduction and purpose of the document

Introduction

1. This document sets out the funding rules for apprenticeship standards that start between 1 August 2015 and 31 July 2016, referred to in this document as 2015 to 2016. Apprenticeship standards, developed by Trailblazers, are open to all eligible employers and providers. This document sets out the rules that those involved in training and assessing apprentices must comply with.
2. The funding rules in this document are intended to ensure that public funding is used to deliver education and training. They form part of the terms and conditions of the funding agreement between the Secretary of State for Business, Innovation and Skills acting through the Skills Funding Agency (SFA), and providers and employers who receive funding directly from the SFA for apprenticeship standard provision. If you do not comply with these funding rules, you are in breach of the funding agreement with the SFA. We will take action as set out in the funding agreement. Providers must make employers aware that they are also required to comply with these rules and failure to do so could result in the recovery of public funding.
3. The SFA reserves the right to amend the rules. We will publish changes on our [website](#).
4. As part of the implementation of apprenticeship funding reform we are trialling new funding principles and seeking to work with employers and providers on pragmatic solutions to the opportunities and issues that develop during 2015 to 2016. This will mean that we may need to update the funding rules and guidance from time to time as Trailblazer apprenticeships progress.
5. The funding rules set out in this document and any published updates to these rules will apply for the duration of any apprenticeship standard where the apprentice starts between 1 August 2015 and 31 July 2016.

How this document can help you

6. We have divided this document into 11 sections containing the funding rules and an explanation of the context of the rules to help organisations to meet the requirements placed on them. We have also provided quick-start guides and flow charts to show how the funding process works. The sections in the document are as follows:

Section 1: Quick-start guide for providers

- This section sets out the key steps you need to take to get an apprentice started on their apprenticeship.

Section 2: General principles for Trailblazer apprenticeships

- This section sets out the central principles that underpin all apprenticeships which employers, providers and apprentices must meet.

Section 3 (onwards): Operational rules for providers, direct grant employers and Apprenticeship Training Agencies

- The remaining sections set out the rules on all operational processes relating to the delivery of Trailblazer apprenticeships.

Understanding the terminology

7. The terms 'we', 'our', 'us' and 'SFA' refer to the Skills Funding Agency, which is an executive agency of the Department for Business, Innovation and Skills and exercises functions on behalf of the Secretary of State for Business, Innovation and Skills.
8. We use the term 'funding agreement' to include the financial memorandum, contract for services and conditions of funding grant between the SFA and all employers and providers for the delivery of apprenticeship standard provision.
9. We use the term 'apprentice' to include all those who receive apprenticeship training and end-point assessment through an apprenticeship standard funded by us.
10. We use the term 'this document' to refer to Trailblazer apprenticeships funding rules 2015 to 2016.
11. We use the term 'lead provider' to include any provider appointed by an employer, to take the co-ordinating role on their behalf to contract with other providers and assessment organisations involved in the delivery and end-point assessment of their apprenticeship programme. We also use the term 'lead provider' to include direct grant employers and Group Training Associations who hold a current funding agreement with us.
12. We use the term 'provider' to include any organisation appointed by an employer and holding a current funding agreement with us or contracted through a lead provider for the delivery of training and on-programme assessment as part of the employer's agreed apprenticeship programme.
13. We use the term 'assessment organisation' to include any organisation appointed by an employer and contracted by a lead provider for the delivery of end-point assessment as part of the employer's agreed apprenticeship programme.
14. We use the terms 'apprenticeship', 'standard' and 'apprenticeship standard' to cover the apprenticeship standards which are available for delivery during 2015 to 2016. This is defined as those standards which have had their assessment plan approved and been allocated into a funding cap.
15. We use the term 'employer' to mean the organisation that has a contract of employment with the apprentice.
16. We use the term 'end-point assessment' to mean the formal assessment for the apprenticeship standard, typically delivered by an assessment organisation contracted through a lead provider for this purpose.
17. We use the term 'training' to mean the delivery of training and on-programme assessment by a lead provider or any organisation contracted to a lead provider for this purpose.
18. We use the term 'you' to refer to providers, direct grant employers, group training associations, apprenticeship training agencies and assessment organisations.

Section 1 - Quick-start guide for providers

	What should I expect from the employer?	What do I need to do?
1. Choose the apprenticeship	<ul style="list-style-type: none"> The employer will select the apprenticeship standard to use for their apprenticeship. The associated funding caps for each standard are on our website. 	<ul style="list-style-type: none"> Market your services to employers so they are aware of the apprenticeship training you offer.
2. Prepare delivery of the apprenticeship	<ul style="list-style-type: none"> The employer will select the provider(s) needed to deliver the apprenticeship training and end point-assessment for the apprenticeship, also appointing a lead provider to co-ordinate the whole training programme. As part of this process they will agree a provisional price for these services with you. 	<ul style="list-style-type: none"> Prepare to agree with the employer a provisional price for the services to be delivered for the apprenticeship training and assessment. If you are the lead provider, your responsibility will be to co-ordinate with the other chosen providers to ensure the successful delivery of the apprenticeship training and the end-point assessment.
3. Confirm funding eligibility	<ul style="list-style-type: none"> The employer selects their apprentice. 	<ul style="list-style-type: none"> Once the apprentice is identified, as the lead provider, work closely with your employer in order to check and confirm whether they are eligible for the small employer and the 16- to 18-year-old apprentice incentive payments.
4. Finalise apprenticeship delivery	<ul style="list-style-type: none"> With the apprentice identified, the employer will now finalise a price with you for the delivery of the training and assessment based on the apprentice's needs. 	<ul style="list-style-type: none"> Work with your employer and finalise a price for the delivery of training and assessment, tailored to the individual apprentice. Confirm these details in a written agreement with your employer and complete the individual commitment statement annex with the employer and their apprentice. If you are the lead provider, make sure there are suitable subcontracting and payment arrangements with the other providers, where necessary.
5. Start the apprenticeship	<ul style="list-style-type: none"> The employer can now employ the apprentice and complete an apprenticeship agreement with them before they start. 	<ul style="list-style-type: none"> Once the apprentice is employed, if you are the lead provider you will need to create an Individualised Learner Record (ILR) for each apprentice in order to register them with the SFA.
6. Train the apprentice	<ul style="list-style-type: none"> Throughout the delivery of the apprenticeship, the employer will transfer their cash contributions to the lead provider. 	<ul style="list-style-type: none"> Delivery of the apprenticeship can now begin. Throughout the delivery, collect and report any cash contributions from the employer Transfer incentive payments from the SFA to the employer. Create and update the apprentice evidence pack, which acts as the provider evidence source for the apprenticeship.
7. Assess the apprentice	<ul style="list-style-type: none"> The employer will be involved in confirming that the apprentice has completed and achieved the apprenticeship standard. 	<ul style="list-style-type: none"> The nominated assessment organisation will deliver the end-point assessment. If you are the lead provider, co-ordinate and work with the assessment organisation and the employer to confirm that the apprentice has completed the apprenticeship standard.
8. Complete the apprenticeship		<ul style="list-style-type: none"> After the apprentice successfully completes the apprenticeship, the lead provider confirms the completion of the apprenticeship with the SFA and apprenticeship certification bodies. Lead provider transfers the completion payment in full to the employer.

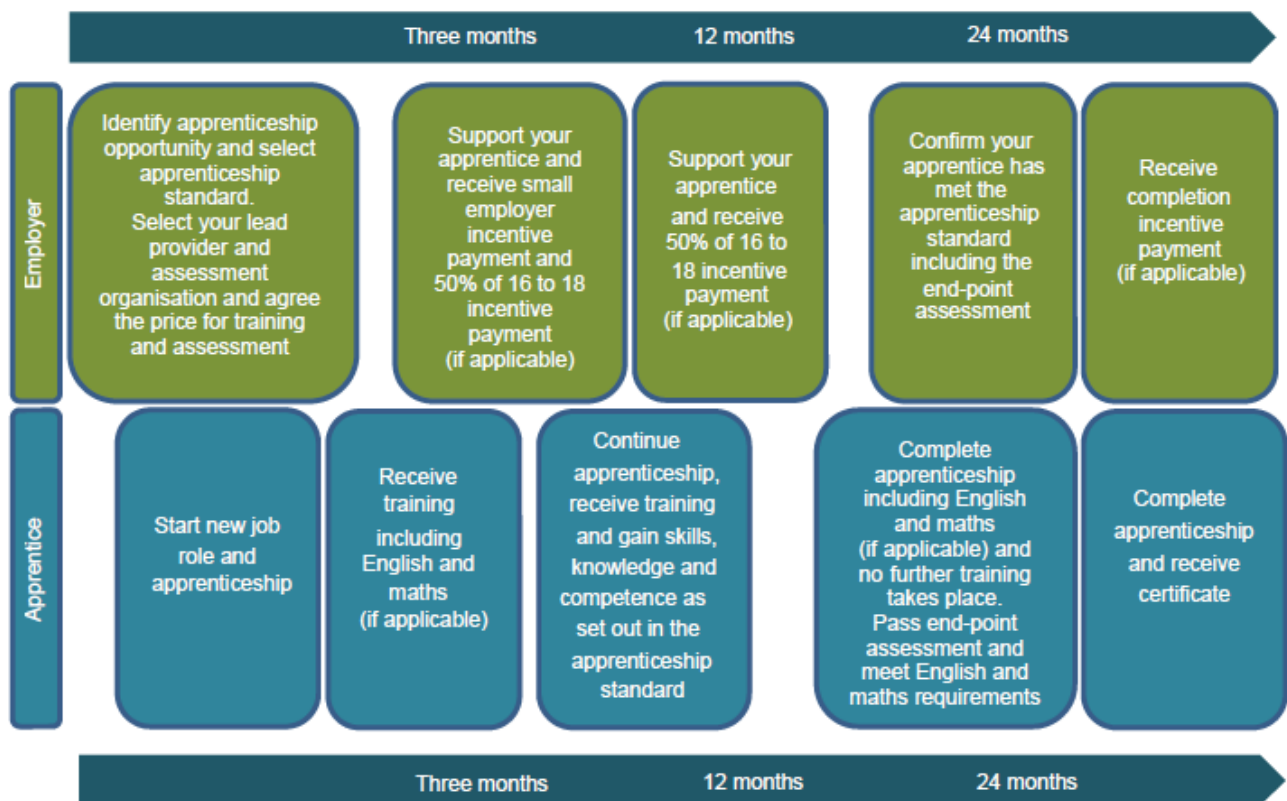
19. In addition to the quick-start guide above, this section provides the basic information you need to get an apprentice started.

19.1. The flowchart below provides an overview of an example apprenticeship journey. It sets out key milestones and employer incentive payment points over a two-year time frame. Individual employers will decide how to complete these activities in the order and time that works best for their business. The actual time taken to complete an apprenticeship standard will vary from apprentice to apprentice and for different standards.

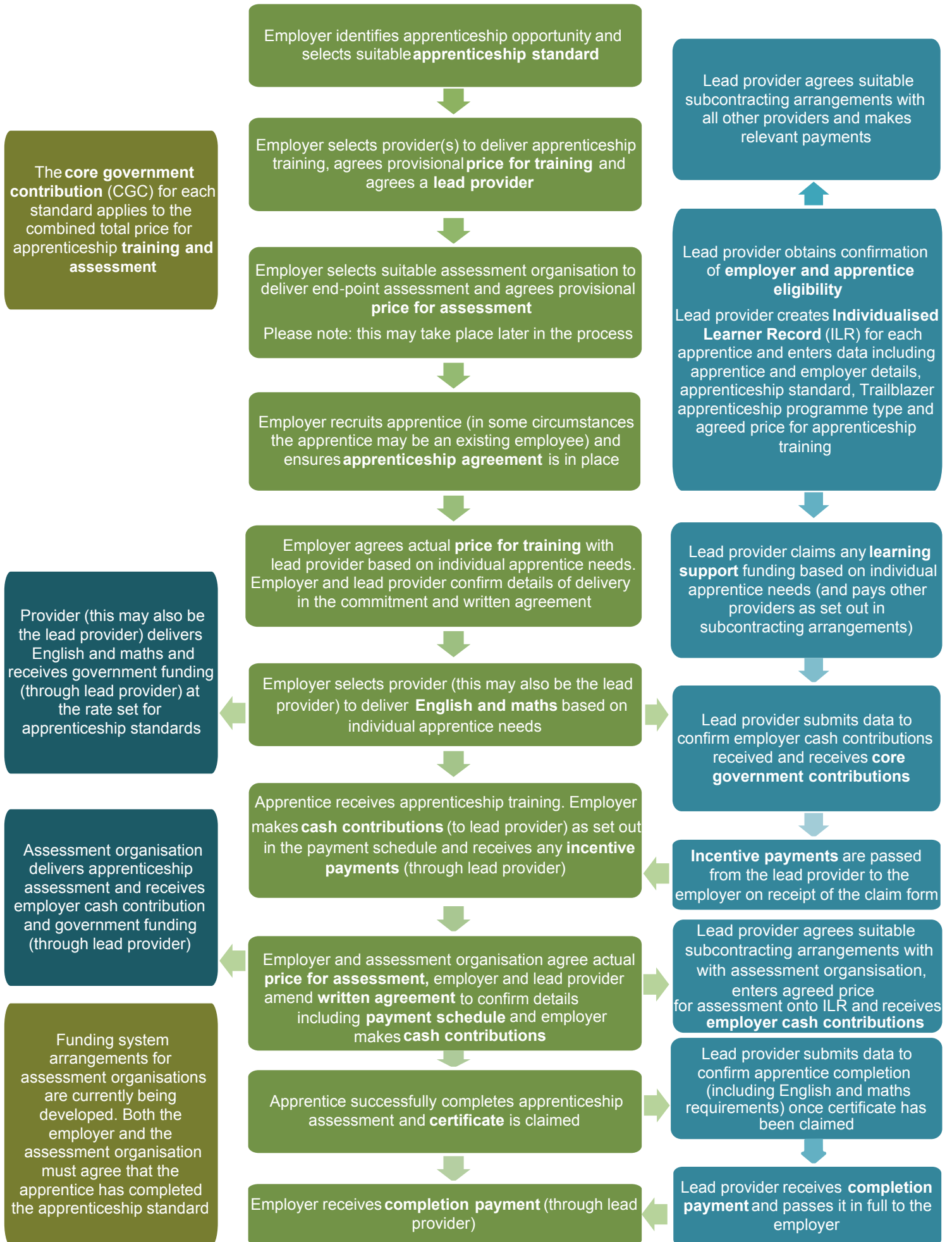
19.2. [The apprenticeship journey – 10 simple steps](#) sets out the typical tasks required for both employer and provider over the life of the apprenticeship. There is also a similar step-by-step summary in [Section 5 - Payment and payment processes](#) of this document.

Apprenticeships: an example journey

A small employer with a 16- to 18-year-old apprentice who completes their apprenticeship in two years.



The apprenticeship journey – ten simple steps



Section 2 - General principles for Trailblazer apprenticeships

20. This section sets out the principles that underpin the Trailblazer apprenticeship programme. These rules apply to all those involved in the delivery and end-point assessment of apprenticeship standards.

Apprentices, employers and the apprenticeship standard must be eligible for funding

21. You must only claim funding for apprentices assessed as eligible for funding as set out in these rules (please see [Section 3 - Who is eligible for funding, what can be funded and who can deliver apprenticeship standards?](#)).
22. Only apprenticeship standards which have been approved for delivery can be funded. You can find a list of these on our [website](#).
23. Each apprenticeship standard has an approved and published assessment plan, detailing how apprentices will be assessed for that particular standard and what they need to have achieved in order to apply for their completion certificate. Apprentices can only be enrolled against an apprenticeship standard once the assessment plan has been approved and published on our [website](#).

Apprentices must be employed and paid a wage

24. All apprentices undertaking an apprenticeship standard must be employed at the start of the first day of their apprenticeship. The term 'employed' is defined as an individual who has a 'contract of employment'. If an employed apprentice becomes self-employed or unemployed during the apprenticeship, this will make their apprenticeship and funding ineligible at that point unless this falls within the conditions that apply to redundancy (please see [Section 6 - What to do when there is a change of circumstances during apprenticeship delivery](#)). Lead providers must check that the apprentice is employed at the start of the apprenticeship and retain a copy of the [apprenticeship agreement](#).
25. Lead providers can only claim funding when the apprentice has started training that is part of the standard.
26. Lead providers must make sure that apprentices are, in most circumstances, employed for at least 30 hours a week (they are not allowed to be employed for fewer than 16 hours a week in any circumstances). If the employer believes there is a case for the apprentice working for fewer than 30 hours a week, the lead provider must advise the employer that they must:
 - 26.1. make sure that the apprentice is working for at least 16 hours a week
 - 26.2. record the proposed average number of hours each week and
 - 26.3. keep a record of the circumstances which have led them to believe a reduction in hours is appropriate (this will either be due to the apprentice's personal situation or because the industry or job role in which they are employed does not always offer the possibility of a 30-hour working week)

27. Employers must agree with their lead provider the average hours the apprentice will be 'at work' including paid training time and 'off-the-job' time with the employer, defined usually as a contracted number of hours every week. This must be recorded in the apprenticeship evidence pack (please see [Section 11 - Evidence requirements](#)), and the lead provider and the individual apprentice must have the opportunity to agree to these hours which will include periods of study.
28. Employers must pay the wages, not the provider.
29. Apprentices must be paid at least the minimum wage they are entitled to by law. For apprentices under the age of 19, or in the first year of their apprenticeship, the minimum is the apprentice minimum wage rate. After the first year, it is the national minimum wage rate that applies to their age. For additional information, please refer to the BIS [website](#).
30. We recognise that there may be specific patterns of employment for some occupations, which mean that their apprenticeship standard will require a written agreement with us as part of their approval to deliver. These are referred to as alternative completion conditions. For the 2015 to 2016 funding year, we will publish a list of these and update them on our [website](#), as they are agreed.

Apprentices must be given the support and resources to complete their apprenticeship

31. The lead provider must ensure that the employer understands their responsibilities towards the apprentice. This includes the following:
 - 31.1. To ensure that the apprentice's job allows them to gain the wider employment experience required by the apprenticeship standard and that they are able to complete all elements of the apprenticeship within their contracted working hours
 - 31.2. To ensure that the employer provides the apprentice with paid time to attend off-the-job training, including, and explicitly, any additional support for English and maths, or support accessed by the provider to support apprentices with learning difficulties and/or disabilities. This time must be included in the apprentice's usual hours of work

Both government and employers must contribute towards an apprenticeship

32. Employers and lead providers must agree a price for the training and end-point assessment required for an apprentice to undertake and complete an apprenticeship standard. The agreed price must only include the training and end-point assessment necessary to meet the relevant standard. Where more than one provider is selected for the delivery of the apprenticeship, the employer must appoint a lead provider for each apprenticeship. An employer may choose to use different lead providers if they have more than one apprenticeship.
33. Each apprenticeship standard approved for funding has been allocated to one of five funding caps. The funding cap sets the maximum core government contribution the

government will make for each apprenticeship standard and it applies to all apprentices, regardless of their age. We set out the funding levels in Table 1 below.

Table 1 Trailblazer pilot funding model 2014 to 2016

Maximum core government contribution		Cap 1	Cap 2	Cap 3	Cap 4	Cap 5
		£2,000	£3,000	£6,000	£8,000	£18,000
Employer contribution of the maximum cap is claimed		£1,000	£1,500	£3,000	£4,000	£9,000
Additional incentive payments	Recruiting a 16 to 18 year old	£600	£900	£1,800	£2,400	£5,400
	For a small business (<50)	£500	£500	£900	£1,200	£2,700
	For successful completion	£500	£500	£900	£1,200	£2,700
Maximum total government contribution		£3,600	£4,900	£9,600	£12,800	£28,800

34. The core government contribution (CGC) will not exceed the cap for the apprenticeship standard regardless of any final price agreed between the employer and the lead provider.
35. To meet the costs of training and end-point assessment, government will invest a core government contribution of £2 for every £1 of investment made by an employer, once this price has been agreed, up to the maximum set for the standard. In this document we refer to this combination of government and employer investment as **co-payment**.
36. Prompt payment of contributions by employers for training and assessment delivery and by lead providers for incentive payments are part of the principles of the partnership arrangements which support the apprenticeship. All parties are expected to make prompt payments in accordance with the written agreement secured at the start of the apprenticeship.

Employers will receive additional incentive payments where they meet specific eligibility criteria

37. Employers may be eligible to claim one or more of three employer incentive payments when they contribute towards all or part of externally purchased training and/or end-point assessment: for a 16- to 18-year-old apprentice, for an employer with fewer than 50 employees and for completion of the apprenticeship. The value of the incentive payment is linked to the funding cap to which the standard is allocated. Please see Table 1 above and [Section 4 - How the apprenticeship is funded](#) for further detail.

funding from us for the delivery of the apprenticeship standard and for making payments to both employers and any subcontracted providers, including assessment organisations.

39. The employer and lead provider must agree a price and payment schedule for the apprenticeship standard and record the details in a written agreement. Please see [Section 7 - Contracts and written agreements between employer and lead provider](#).

Providers should use the Find an apprenticeship service

40. It is the responsibility of the lead provider to ensure that all vacancies are advertised through the Find an apprenticeship website (formerly Apprenticeship vacancies). The lead provider must ensure that vacancy details are up to date. Lead providers must also enter details of the successful candidates on the Find an apprenticeship website as this will enable additional support to be offered to those who may need it. Where an employer advertises directly on the Find an apprenticeship website they are responsible for ensuring records are up to date. You can find more information about our Find an apprenticeship service on our [website](#).

Employers and apprentices must sign an apprenticeship agreement

41. An apprenticeship agreement between an employer and an apprentice is needed at the start of the apprenticeship and must be in place for the entire length of the apprenticeship. Without it, a completion certificate cannot be issued. You can find more information on apprenticeship agreements on our [website](#).
42. The apprenticeship agreement must state that the apprentice will be carrying out an apprenticeship in a particular skill, trade or occupation under an eligible apprenticeship standard.
43. The apprenticeship agreement can be in the form of a written statement of particulars under the Employment Rights Act 1996. Or, it can be a contract of employment or a letter of engagement where the employer's duty under the 1996 Act is treated as met.
44. Existing and new contracts of employment between the apprentice and employer that meet the 1996 Act will also meet the requirements of the apprenticeship agreement. This applies as long as they include a statement (which may be an annex) setting out the occupation and approved apprenticeship standard for which the apprentice is being trained.

Lead providers must collate and retain an apprenticeship evidence pack for each apprentice

45. Lead providers must hold an apprenticeship evidence pack which confirms that the apprentice, their employer and the apprenticeship for which government co-payment has been claimed, are eligible for the value of funding claimed. This evidence pack replaces the collection of documents formerly referred to as the learning agreement. The apprenticeship evidence pack must include a copy of the signed and dated written agreement between the employer and lead provider and the commitment statement signed and dated by the apprentice, the employer and the lead provider (please see [Section 11 - Evidence requirements](#)).

46. Lead providers are responsible for ensuring that the evidence pack is created and updated. The lead provider is accountable for the apprenticeship evidence pack and for ensuring that the employer and apprentice hold up-to-date copies of key documentation.

All apprentices, their employers and lead providers must sign a commitment statement setting out how they will support the successful achievement of the apprenticeship

47. Every apprentice must hold a written commitment statement which sets out the detail for the delivery of their apprenticeship. This document must set out the planned content and schedule for training and end-point assessment. It must also set out what is expected and offered by the employer, lead provider (and any subcontractors) and the apprentice in achieving the apprenticeship. The employer, apprentice and lead provider must sign the commitment statement. We set out more detail in [Section 7 - Contracts and written agreements between employer and lead provider](#).
48. The commitment statement contains information previously held as part of the learning agreement. A signed commitment statement must be provided to the apprentice, and a signed copy must also be included at Annex A in the formal written documentation agreed between the employer and the lead provider for delivery of the employer's apprenticeship programme. This Annex must contain the signed commitment statements for every apprentice covered by the written agreement.
49. The formal agreement between the employer and the lead provider for delivery of the apprenticeship programme, plus the commitment statement annex (es) form part of the apprenticeship evidence pack for each apprentice. The written employer and provider agreement and the commitment statement are needed at the start of the apprenticeship. Both must be in place for the entire length of the apprenticeship (and updated as needed), with signed copies re-distributed to all three parties. Without these signed documents in place, government co-payments must not be claimed by the lead provider, and employer incentives must not be paid to the employer.

Funding for apprenticeships supports progression in skills and learning

50. Lead providers and employers must ensure that all apprentices they claim funding for are carrying out a new occupation, or if in an existing occupation, that the individual needs significant new knowledge and skills and that an apprenticeship is the most appropriate learning programme for them.
51. For each apprentice, we will only fund a single apprenticeship standard at any one time. This means that if an apprentice wants to progress onto another standard, they must have completed their previous apprenticeship first.
52. Apprentices cannot be funded for an apprenticeship standard at the same time as an apprenticeship framework.
53. Apprenticeship funding supports individuals, including those with prior qualifications from levels 1 to 6, to progress to higher levels of learning. Apprentices who have successfully completed an apprenticeship at any level are not expected to start a second apprenticeship at the same or a lower level including movement from an apprenticeship

framework to an apprenticeship standard. In most cases, apprentices will be expected to progress to a higher level. For example, a graduate with a level 6 degree would, in most cases, progress to a level 7 apprenticeship standard.

54. The only exception to this is where the apprentice starts a new role or occupation requiring a significant amount of new learning to take place and requiring delivery over the minimum duration for the standard. In this case the apprentice would be eligible for funding for an apprenticeship at the same level, but no lower than, their current highest qualification. In this instance the lead provider must record this information as part of the commitment statement and retain evidence for eligibility in their apprenticeship evidence pack.

An apprenticeship must last a minimum of 12 months

55. We do not fund apprenticeships where the apprentice does not require sustained and substantial training to meet the standard. This includes cases where an apprentice only needs to attain a qualification or certificate specified within the apprenticeship standard or just to take the end-point assessment to demonstrate competence against the standard. Lead providers must only start apprentices who need sustained and substantial training that meets the duration requirements set out below.
56. The training and end-point assessment for all apprenticeships, for any age of apprentice, must last for a minimum of 12 months, or meet the minimum duration set out in the relevant standard where this is a mandatory requirement of more than 12 months. This minimum duration must be increased proportionately for apprentices working fewer than 30 hours a week.
57. Lead providers must make sure that employers and apprentices understand that the apprenticeship must last a minimum of 12 months.

Employers and providers must meet the apprenticeship quality statement requirements

58. In March 2015 government published its quality statement for Trailblazer apprenticeships and apprenticeship standards. You can find this on our [website](#). The quality statement sets out the existing and new quality measures which apply to apprenticeship standards delivered in the Trailblazer trial from 2014 to 2016 and set out below. As the trial progresses during the course of 2015 to 2016 these will be reviewed to establish a quality regime that works to ensure high-quality apprenticeships for employers and apprentices.
59. All those involved in the delivery of apprenticeship standards, whether they are the apprentice, employer, or lead provider, have a responsibility to make sure that the actions they take meet the requirements of the quality statement, uphold the reputation of the apprenticeship programme and do not bring the apprenticeship brand into disrepute.
60. Employers and providers must report, to us, any suspicion or concern they may have regarding any behaviour and/or practice that could undermine the reputation of the apprenticeship programme.
61. Lead providers involved in the delivery of training for an apprenticeship standard, are subject to Ofsted inspection.

62. During the academic year 2015 to 2016 we will explore how to best incorporate apprenticeship standards into qualification achievement rates. We will not publish achievement rates for apprenticeship standards in the national success rate tables and apprenticeship standards will not be included in Minimum Standards for 2015 to 2016.

Section 3 - Who is eligible for funding, what can be funded and who can deliver apprenticeship standards?

63. This section sets out the rules for employers and providers about which individuals are eligible for funding as an apprentice and what kind of activities are eligible for funding from the combined employer and government co-payment. This section also explains the requirements for any organisation, including employers that wish to deliver training and/or end-point assessment. Please see [Section 11 - Evidence requirements](#) for details of evidence requirements.

Eligibility for apprenticeship standard funding

Apprentice eligibility

64. To be eligible for funding, on the first day of learning an apprentice must be aged 15 or older and have legally left school. An apprentice cannot start until after the last Friday in June of the academic year in which they have their 16th birthday, usually known as year 11. There are no exceptions to this rule, even if the individual is no longer at school or is already in work.
65. Employers are accountable for checking and confirming their employee's eligibility at the start of each apprenticeship, and declaring this to the lead provider. Lead providers may conduct eligibility checks on behalf of the employer and can provide advice on eligibility. Lead providers are responsible for ensuring that the eligibility declaration is in place before the start of the apprenticeship and should retain a copy of the declaration for audit purposes as part of the apprenticeship evidence pack.
66. Lead providers must only claim funding for apprentices assessed as eligible for funding by the employer against the residency criteria set out in [Annex 1 - apprentice eligibility for funding](#).
67. Eligibility for funding is based on the principle that any apprentice, of any age, must be able to complete the apprenticeship within the time that they have available. Employers must confirm that this is the intention at the start of the apprenticeship. For example, if the employer knows an apprentice is planning to leave England in three months, the apprentice would not be eligible for funding as all apprenticeships have a minimum duration of at least 12 months.
68. Once confirmed as eligible or ineligible, the eligibility status for that apprentice will not change for the duration of their apprenticeship unless this relates to the employment status of the apprentice (please see annex 1).
69. If we find that the apprentice or employer was ineligible for incentive payments, we reserve the right to recover both the costs of government contributions and incentive payments made to the employer through the lead provider. Lead providers will need to recover any funds from the employer, as set out in their written agreement.

Employer eligibility for incentive payments

70. Employers will be eligible to claim the employer incentive payments when they contribute towards all or part of externally purchased training and/or end-point assessment. There is no minimum requirement for the amount of training and/or end-point assessment that must be externally purchased in order for the employer to be eligible for the full employer incentive payments.
71. The level of employer contribution is part of the information collated during the 2014 to 2016 trial to assess value for money.
72. Employers must confirm their eligibility for incentive payments to their lead provider through a signed employer eligibility declaration. Timing of employer incentive payments to employers is dependent on the lead provider receiving a correct employer declaration.
73. This eligibility status will remain the same for the duration of the employee's individual apprenticeship, regardless of any change to the employer's actual eligibility.
74. Changes in employer eligibility will only affect new apprentices beginning an apprenticeship after the change in eligibility takes place.
75. If we find that the employer was ineligible for incentive payments from the start of the apprenticeship, we reserve the right to recover both the costs of government contributions and incentive payments.

Small employer incentive

76. To be eligible for the incentive payment for employers with fewer than 50 staff, an organisation must have 49 or fewer paid full or part-time employees.
77. The eligibility status for the small employer incentive is set at the start of the apprenticeship and remains the same for the duration of that apprenticeship. The only exception is where an apprentice moves to a new employer before the small employer incentive payment is due. In this case, the eligibility status for the small employer incentive is set at three months (90 days).

16- to 18-year-old apprentice incentive

78. To be eligible for the incentive payment for employing an apprentice aged 16 to 18, an apprentice must be aged 16, 17 or 18 at the start of their apprenticeship.
79. The eligibility status for the 16- to 18-year-old apprentice incentive is set at the start of the apprenticeship and remains the same for the duration of that apprenticeship.

Completion incentive

80. Lead providers must only claim the employer completion payment when the following criteria are in place.
 - 80.1. The end-point assessment organisation has completed the assessment, recorded and issued results and formally confirmed achievement in writing that the end-point assessment has been successfully passed

- 80.2. The employer has submitted a correct claim form, confirming that the apprentice has successfully completed their apprenticeship to the employer's satisfaction
 - 80.3. The completion certificate has been formally requested from the certification body
81. Work is continuing to develop the arrangements for apprenticeship end-point assessment and completion in conjunction with employers, providers and assessment organisations. Final advice about eligibility requirements for the completion incentive payment will follow when arrangements are completed.

What is eligible for funding in a Trailblazer apprenticeship?

- 82. Lead providers must not claim funding for learning which is fully delivered outside England, unless we give them permission to do so. This rule applies to learning delivered on the provider's or the employer's premises, or learning where a variety of methods and locations is used.
- 83. We will not fund an apprenticeship delivered only by distance learning.
- 84. All eligible training to meet the requirements of the end-point assessment must be set out in the commitment statement and retained with the written agreement between the employer and provider. Only training and end-point assessment that contributes to the completion of the standard is eligible for core government contribution. The cost of all other training and development undertaken which does not directly lead to the completion of the apprenticeship standard must be met by the employer.
- 85. Where an apprenticeship standard contains both core and optional modules we will only fund the number of optional modules specified in the standard. Any additional modules agreed by the lead provider and the employer must be fully funded by the employer.
- 86. All eligible learning required to meet the end-point assessment must be set out in the commitment statement and written agreement between employer and lead provider. Providers must not claim for training not required by the standard or necessary to meet the end-point assessment.

Use of co-payment funding

- 87. The price agreed between the employer and lead provider and combined co-payment funding, (both employer one-third contribution and the government two-thirds contribution) can only be used to fund externally purchased and delivered training and end-point assessment required to meet the standard.
- 88. Employers choosing to deliver elements of training and/or end-point assessment through their own internal 'in-house' training team but who do not hold a direct grant with the SFA are not eligible to claim the government two-thirds contribution for any element of this 'in-house' apprenticeship provision.
- 89. There are separate arrangements for the employer contribution for employers holding a direct grant. Please see [Section 9 - Additional rules for direct grant employers.](#)
- 90. Co-payment can only be used to pay for training, education and end-point assessment required to attain the apprenticeship standard. This includes the following

- 90.1. On-the-job and off-the-job delivery through an externally-contracted provider
 - 90.2. Planned ongoing assessment
 - 90.3. The formal end-point assessment
 - 90.4. Educational trips or professional events specified within the standard or assessment plan
 - 90.5. E-learning (this can be included provided it is contributory to the standard and is part of a blended learning experience)
 - 90.6. Evidenced costs for employer direct delivery where the employer holds a direct grant with us
 - 90.7. Any administration directly linked to the training, education and end-point assessment related to the delivery of the apprenticeship
 - 90.8. Re-takes for qualifications agreed for delivery to meet the standard are eligible only where extra learning must take place prior to the re-take. If necessary, a new price can be agreed between the employer and provider to include this additional learning. Any new price agreed will be subject to the relevant funding cap. If the new price exceeds the total value for training and end-point assessment for the relevant funding cap, no further government contributions will be made and the employer will need to meet these additional costs directly
91. The costs of accommodation for learning delivered through residential modules are only eligible for co-payment funding where the residential learning element is a requirement exclusively for delivery of the module; or the module directly contributes to the apprentice achieving the standard. Any costs for residential modules agreed between the employer and lead provider must represent value for money.
92. Where the apprentice is resident, away from their home base, because of the requirements of their day-to-day work, all accommodation costs are the employer's responsibility, including for the occasions where the apprentice is undertaking apprenticeship activity.
93. Travel costs for apprentices are not eligible for co-payment funding under any circumstances.
94. Employers are therefore responsible for funding the following.
- 94.1. Payment of apprentices' wages (please also see [Section 10 - Additional rules for recognised apprenticeship training agencies \(ATAs\)](#)).
 - 94.2. Any training or optional modules chosen in addition to what is eligible for co-payment
 - 94.3. All travel costs for an apprentice travelling to and from their place or work or any other place required for the delivery of their apprenticeship
 - 94.4. Company induction
 - 94.5. Personal protective clothing and safety equipment required for apprentices to carry out their day-to-day work
 - 94.6. Educational trips or trips to professional events not specified in the apprenticeship standard or assessment plan
 - 94.7. Re-sits for qualifications or assessment required by the apprenticeship standard where no extra learning takes place before the re-sit
 - 94.8. Employer's own administration costs for supporting the apprenticeship
 - 94.9. Time spent by managers supporting apprentices, mentoring or the time of other staff arranging training support

- 94.10. Specific services not related to the delivery and administration of the apprenticeship; this includes bespoke or additional training or assessment which is not a requirement of the standard
- 94.11. Where, for convenience, employers or providers wish the apprentice to live nearby whilst learning – for example, accommodation at a hotel for an apprentice chef
95. The price agreed by the employer and the lead provider must include all the direct costs of training and end-point assessment to meet the standard. Apprentices should not make any cash contribution for training that is specified in the standard, or be asked to contribute financially to the direct cost of training or end-point assessment for an apprenticeship.
96. Professional membership and subscriptions, and the cost of trips to educational/sector-related events that are not specifically included within the apprenticeship standard, are not considered direct costs of learning. Employers may ask apprentices to pay either in full or contribute towards these costs.
97. Where providers offer services to an employer to support the delivery and administration of the employer's apprenticeship programme, these services should be detailed separately to the price for education, training and assessment and may be charged to the employer. The apprentice must not be asked to contribute to these costs.

Duplication of funding or learning

98. Lead providers (or their subcontractors) must not claim funding for any part of any delivery which duplicates provision that the apprentice has previously undertaken and/or achieved from any other source.
99. Lead providers must make sure that an apprentice does not repeat learning that they have already carried out to achieve a qualification, unless this is English and maths within an apprenticeship standard where they must have up-to-date skills (please see [Funding for English and maths](#), in [Section 4 - How the apprenticeship is funded](#) of this document).

Recognition of prior learning

100. Where apprentices have already undertaken prior learning towards a regulated or accredited qualification, this can be accredited as part achievement towards their apprenticeship. To be eligible for co-funding, the apprentice must still need sufficient apprenticeship training and assessment to meet the 12-month (or greater, where specified in the standard) minimum duration. The provider must reflect this in the agreed price to acknowledge what has been achieved towards the standard. The duration of the apprenticeship must also be reduced accordingly but must still meet the minimum duration required by the apprenticeship standard.

Start dates and planned end-dates

101. Start dates and planned end-dates entered on the Individualised Learner Record (ILR) must be for a minimum of 366 days or more where this is specified in the standard and the apprentice must be in learning or undertaking assessment on the anniversary of the date they started their apprenticeship.

Who can deliver apprenticeship standard training and end-point assessment?

102. To be eligible for apprenticeship funding lead providers must be listed on our [Register of Training Organisations](#). The lead provider must also hold a funding agreement with us for the delivery of apprenticeships for the 2015 to 2016 year. Employers may select from any organisation on the Register of Training Organisations which they can find on our [website](#).
103. The lead provider is responsible for receiving all payments from employers and government relating to the delivery of the apprenticeship. This includes the government contribution, employer contribution and any eligible incentive payments for the employer. The lead provider is also responsible for making payments to any other provider who they contract with on behalf of the employer, including end-point assessment organisations.
104. Where a lead provider subcontracts with other organisations on behalf of the employer, the lead provider must ensure that the employer, the lead provider and any subcontracted providers understand the requirements of this subcontracting arrangement. For further details on subcontracting please see [Section 8 – additional rules for lead providers and employers wishing to enter into subcontracting arrangements](#) in this document.
105. Any organisation acting as a subcontractor to a lead provider to deliver training must be on the Register of Training Organisations when the combined value of their subcontracts reaches £100,000 in a funding year.
106. Employers can if they wish deliver part of their training and/or their assessment in-house. However, employers will need to select a lead provider and agree a price for the remainder of the training and/or assessment to be delivered by eligible training and assessment organisations.
107. Where employers are delivering in-house training, the lead provider must register the apprentice at the start of their apprenticeship and record the price agreed for the external training or end-point assessment, as required by us. The lead provider will also act as the payment route for employer incentive payments back to the employer.

Apprenticeship end-point assessment

108. All assessment organisations must be listed on the Register of Apprenticeship Assessment Organisations (RAAO) to be eligible to deliver the end-point assessment for an apprenticeship standard and receive funding from us. Employers must select an organisation listed on the RAAO that can assess the relevant standard.
109. Qualifications listed as mandatory in the standard or agreed with the employer and set out in the commitment statement must be completed before end-point assessment can take place.
110. Employers and lead providers must follow the end-point assessment requirements set out in the approved and published assessment plan for the relevant standard. Apprentices can only be enrolled against an apprenticeship standard once the assessment plan has been approved and published on our [website](#).
111. Apprentices will not be able to complete the apprenticeship without taking an end-point assessment.

112. To ensure independence in the assessment process, end-point assessment must involve a third party who does not stand to benefit financially from the outcome of the end-point assessment.
113. Employers delivering in-house training can participate in the end-point assessment of their own apprentices but, again, this must be conducted in a way that ensures an impartial judgement is reached.
114. An employer delivering in-house training can also provide supporting evidence towards the end-point assessment such as an endorsement or employee records where this is in line with the published assessment plan.
115. A pass grade in an apprenticeship must demonstrate full competency against the standard and there will normally be at least one grade above pass to recognise exceptional performance. For a small number of standards grading may not be applied due to assessments within the apprenticeship being aligned with external organisations or regulations which do not incorporate grading.

Section 4 - How the apprenticeship is funded

116. This section sets out rules for employers and providers on all elements of funding included in, and related to, an apprenticeship. It also provides information on setting a price for the apprenticeship and on the employer's contribution and sets out the rules for employer incentive payments.
117. Government co-payment funding to support training and end-point assessment and to fund the incentive payments made to employers is earned from within the lead provider's existing allocation. Lead providers will receive all earnings related to apprenticeship standard delivery through their existing apprenticeship payment arrangements.
118. The employer and lead provider must agree a payment schedule. The payment schedule must be included in the written agreement. Please see [Section 7 - Contracts and written agreements between employer and lead provider](#).

Government and employer co-payment for apprenticeship training and end-point assessment

119. Each apprenticeship standard approved for funding will be allocated to one of five funding caps. This funding cap will set the maximum core government contribution that government will make for each apprenticeship standard. Please see [Table 1 Trailblazer pilot funding model 2014 to 2016](#).

Agreeing a price for the delivery of the apprenticeship training and end-point assessment

120. The total price agreed by the employer and their chosen providers for training and end-point assessment may be set at any level, and is not constrained by, or subject to, the funding cap to which the apprenticeship standard has been allocated.
 - 120.1. An employer and provider may agree a price for training and end-point assessment which is lower than the funding cap value for the apprenticeship standard. In this case, the employer will pay one-third of this agreed price and government will pay two-thirds of the agreed price
 - 120.2. An employer and provider may agree a price for the training and end-point assessment that is equal to the funding cap value for the apprenticeship standard shown in the table. The employer will pay one-third of this agreed price and government will pay two-thirds of the agreed price up to the value of the cap
 - 120.3. An employer and provider may agree a price for training and end-point assessment which is higher than the maximum funding cap value for the apprenticeship standard shown in the table. In this case, government will pay two-thirds of the agreed price up to the value of the cap. All of the remaining cost towards the price will be paid by the employer
121. The total price agreed by the employer and their providers for delivery of the training and end-point assessment of an apprenticeship that is intended to be eligible for co-payment must be recorded on the ILR by the lead provider at the start of the apprenticeship.

122. Employers and lead providers must only revise their agreed price for training and/or end-point assessment when both employer and lead provider agree that:
 - 122.1. a specific gap in the required training or end-point assessment for the apprentice has been identified that was omitted in error from the original commitment statement or
 - 122.2. a specific element in the training or end-point assessment agreed for the apprentice has been identified as no longer needed
123. The price agreed must reflect all of the costs of the training and end-point assessment for each apprentice. The price agreed for the training and end-point assessment by the employer and lead provider will vary depending on the needs of the apprentice, and any reduction in the size of the apprenticeship delivery must be reflected in proportion within the agreed price for the training and end-point assessment.

Value added tax (VAT)

124. Providers are responsible for determining the VAT treatment on their invoices to employers.
125. If a provider adds VAT on its invoices to an employer and that employer is VAT registered, the employer may be able to recover that VAT through its VAT returns. In determining the costs of training and/or end-point assessment an employer will need to check with the provider if VAT will be added and verify, internally or with HMRC, if it can be recovered.
126. Providers and employers should seek VAT advice from HMRC if they are in any doubt about the VAT treatment.
127. Lead providers must enter the agreed prices for training and end-point assessment on to the ILR. The figures must not include the VAT element, where this exists.
128. Whilst providers and employers should always seek their own VAT advice, we consider that incentive payments are beyond the scope of VAT and therefore VAT should not be charged on them.

Employer contribution

129. Employer cash contributions must be in the form of a transfer of funding visible in both employer and provider financial systems. The value of each cash payment must be recorded in the ILR and documentation must be in place to support this. This will typically be in the form of a provider invoice and corresponding employer payment. Please see [Section 9 - Additional rules for direct grant employers](#) of this document.
130. Evidence of cash contribution payments made by the employer must be retained and recorded for audit purposes, with receipts and invoices of monies received by the lead provider.

Employer incentive payments

131. In addition to the core government contribution and employer contribution, which pay for the training and end-point assessment in the apprenticeship, employers may be eligible for

up to three employer incentives. Employers will be free to use the incentive payments as they wish, including meeting the wider costs of employing an apprentice.

132. Regardless of the price agreed for training and end-point assessment, the full value of the incentive set out in [Table 1 Trailblazer pilot funding model 2014 to 2016](#) will be paid to the employer. There are separate arrangements in place for ATAs (please see [Section 10 - Additional rules for recognised apprenticeship training agencies \(ATAs\)](#) of this document.
133. Employers must make a co-payment towards the training and/or end-point assessment to be eligible to receive incentive payments. Employers choosing to deliver all of the training and end-point assessment for the standard in-house will not be eligible for any of the employer incentive payments.
134. It is the employer's responsibility to check and declare their organisation and employee eligibility status for any incentive payments at the start of the apprenticeship. Employers may ask their lead provider to help with their eligibility checks.
135. Providers must hold a signed, original eligibility declaration(s) from the employer at the start of the apprenticeship which confirms eligibility for any incentive payments.
136. Providers must not start any delivery without this original signed declaration.
137. Incentive payments are made at set points, counted from the programme start date as recorded on the ILR.
138. An employer must only receive each eligible incentive payment once for each apprentice. If an apprentice is employed by a new employer, the new employer may, in certain circumstances, also be entitled to receive incentive payments. Please see [Section 6 - What to do when there is a change of circumstances during apprenticeship delivery](#) of this document for more information.
139. The Apprenticeship Grant for Employers (AGE) cannot be claimed for apprentices undertaking an apprenticeship standard. AGE is a separate government grant, and is only available for eligible employers employing apprentices on an apprenticeship framework. You can find more information about AGE on our [website](#).

Funding for English and maths

140. We will provide a flat rate for English and maths taken up to level 2 as part of an approved apprenticeship standard. Employers will not need to make an employer contribution and we will fund lead providers directly for this delivery.
141. If English and maths at level 3 is a requirement for completion of the apprenticeship standard, it must be funded from the core government contribution and employer contribution. This needs to be factored into the agreed price for training and end-point assessment by the employer and lead provider.
142. The lead provider must enter the appropriate English and maths learning aim(s) onto the ILR and claim the funding from us.

143. English and maths functional skills or GCSE qualifications are eligible for funding at a flat rate of £471 for each learning aim, regardless of the age of the apprentice. The funding is earned in equal payments between the start and planned end dates for the learning aim.
144. Unless apprentices have achieved their level 2 English and maths, they will be required to take level 2 English and/or maths and must study and take the test before the end-point assessment of the apprenticeship standard. Apprentices will not need to have achieved level 2 English or maths (or both) unless it is a mandatory element of their apprenticeship standard. For advanced and higher apprenticeships, the apprentice must achieve level 2 English and maths. This must be achieved prior to taking the apprenticeship end-point assessment.
145. Apprentices must start English and/or maths at level 2 unless the provider has conducted a formal, recognised assessment that demonstrates they need to study to level 1 first in order to successfully achieve their level 2. In such exceptional cases, funding will be available for both levels within the duration of the same apprenticeship.
146. Lead providers must offer level 2 functional skills or GCSE qualifications in English or maths (or both) to those apprentices who have not yet achieved level 2 in English or maths (or both), whether or not this is included in an apprenticeship standard.
147. If the employer ceases trading or the apprentice is made redundant, the apprentice is permitted to continue with their English and maths at level 1 or level 2 if they are able to do so. The provider can continue to claim funds at the £471 apprenticeship rate.

Funding for learning support

148. We are committed to making sure that the skills system operates effectively to support the needs of apprentices who are most disadvantaged, including those with learning difficulties and disabilities. This means making sure that the right level of support is available to remove barriers to education and training so that an apprentice can make the most of their potential.
149. Learning support funds are available to help providers to work flexibly and provide support activity to meet the learning needs of their apprentices. This will enable these apprentices to achieve their learning goal and make the most of their potential. Learning support funding will also provide funding for providers to meet the cost of reasonable adjustments as set out in the Equality Act 2010.

Learning support conditions

150. Learning support funds are available to support all apprentices with a learning difficulty or disability, including those who have an Education, Health and Care Plan (EHC plan) or a Learning Difficulty Assessment (LDA). Lead providers will claim this through the ILR and pass payments to other providers as set out in subcontracting arrangements.
151. Learning support should not be used to deal with everyday difficulties that are not directly associated with an apprentice's learning on their programme.
152. The lead provider must make sure that the employer and their apprentice are aware of any learning support accessed and how this is being used.

153. Learning support funding is not included within the core government contribution and will be fully funded by us.
154. Learning support may be used if learning continues past the planned end-date and the apprentice still needs support.
155. We will review whether providers' use of learning support funds represents good value for money. If we consider that the funding we have provided is significantly more than the cost of the support provided, we may reduce the amount of funding we pay to lead providers.
156. Learning support will be earned at a fixed monthly rate if it has been reported in the ILR against an apprenticeship programme aim. We expect the total providers earn from the monthly rate to be enough to cover their costs. If the cost to providers of providing support to an apprentice goes above the total earned from the fixed monthly rate, and lead providers provide evidence of the excess, they will be able to claim this excess using the earnings adjustment statement (EAS). Please see the EAS guidance on our [website](#) for further information.
157. If an apprentice requires learning support for less than one calendar month, they must claim the value of the learning support as if it were all excess, using the earnings adjustment statement.
158. To claim learning support funding lead providers must:
 - 158.1. carry out a robust assessment to identify the support the apprentice needs
 - 158.2. agree and record the outcome of their assessment in the apprenticeship evidence pack
 - 158.3. deliver support to meet the apprentice's identified needs, and review progress and continuing needs, as appropriate
 - 158.4. record all outcomes in the apprenticeship evidence pack and keep evidence of the assessment of the needs and
 - 158.5. report, in the ILR, that an apprentice has a learning support need associated with the programme aim, by entering code LSF1 in the 'Learning Delivery Funding and Monitoring' field and entering the corresponding dates in the 'Date applies from' and 'Date applies to' fields

Exceptional learning support claims above £19,000

159. Some apprentices may need significant levels of support to start or continue learning. These apprentices are unlikely to be planning to take part in learning without careful consideration of their needs and the ability to meet them, and there will be other agencies involved in their care and support. These apprentices can get access to exceptional learning support if their support costs more than £19,000.
160. Apprentices aged 19 to 24 requiring significant levels of support would normally be expected to have an education, health and care plan provided by their local authority.
161. Where you are seeking to claim exceptional learning support above £19,000 for an apprentice aged 19 to 24 who does not have an education, health and care plan, you will have to confirm why the apprentice does not have an education, health and care plan.
162. Lead providers must:

- 162.1. first get agreement from our Central Delivery Service for apprentices whose support costs more than £19,000 in a funding year, by filling in the [learning support costs form](#)
- 162.2. get further agreement if the apprentice's support needs change significantly during their learning and
- 162.3. make payment claims for apprentices' exceptional learning support in 2015 to 2016 by 27 October 2016

Employer Ownership Pilot (EOP)

163. Employers who have a contract to deliver EOP can decide how they wish to fund the delivery of apprenticeship standards; **either** through the funding model set out in this document, **or** through their agreed arrangements for the delivery of EOP. Individual employers will want to consider the source of funding and the balance of flexibilities and co-investment that best meet their needs.
- 163.1. If employers choose to fund delivery of their apprenticeship standard through the funding model set out in this document, the employer and their chosen providers must comply with these rules and must not claim any funds for the apprenticeship through EOP
 - 163.2. If employers choose to fund delivery of their apprenticeship standard through EOP, the employer must not claim any funds, including the incentive payments, through the funding model outlined in this document
164. If employers hold an EOP grant, they will need to understand the potential impact of their choice of funding route on their participation key performance indicators over the life of the EOP grant. They will also need to discuss with their account manager reducing the EOP grant and revising the key performance indicators, where applicable.

European Social Fund (ESF) match funding

165. For 2015 to 2016, providers (or employers) must not use any of the employer's cash contribution to apprenticeships as match funding for ESF or any other funding stream or source.
166. It is not currently our intention to use Trailblazer apprenticeship funding as ESF match funding, however we reserve the right to do so in the future.

State aid

167. We consider that government contributions and additional incentive payments for apprenticeship standards should not, in so far as they are general measures within the national education system, fall within the scope of state aid control during 2015 to 2016.

Section 5 - Payment and payment processes

168. This section sets out additional rules for employers and providers regarding apprenticeship payments and payment processes. You should read this in conjunction with the ILR guides and templates section of our [website](#).

168.1. The [Apprenticeships – a quick guide to payments and payment processes](#) diagram sets out the key payment processes for apprenticeship funding including when each incentive payment is made

168.2. The [Apprenticeship funding and payments – 9 simple steps](#) flowchart sets out in more detail how funding payments are made to lead providers and employers

An apprentice must be registered and assigned a unique learner number (ULN) before payment can commence

169. The lead provider must record the apprentice's details on the ILR at the start of their apprenticeship. Please refer to the ILR guides and templates section of our [website](#).

170. Lead providers must make sure that each apprentice is assigned a unique learner number (ULN), if they do not already have one. This information must be accurate when they register apprentices for qualifications at the end-point assessment and completion (you can find more information on our [website](#)).

171. Lead providers must provide the ULN to all other relevant bodies involved in the delivery of the apprenticeship, for recording on any apprenticeship documentation regarding the apprentice and their apprenticeship. This will apply in particular to awarding organisations where regulated qualifications (including English and maths) are being used, and to assessment organisations for the purpose of end-point assessment. This will also apply where, by exception, end-point assessment may be in the form of a regulated qualification and the end-point assessment organisation is an Ofqual-regulated awarding organisation.

The apprenticeship payment schedule

172. The payment schedule will set out when the employer will pay their cash contributions to the lead provider and how much each contribution will be. The payment schedule agreed by the employer and provider may include payments to be made on a monthly, quarterly, or annual basis, or at any other time interval agreed by the employer and lead provider.

173. On receipt of each employer payment (one-third cash contribution), the lead provider will then claim the two-thirds corresponding government core contribution. For example, if the employer makes a payment of £100, the lead provider will report this to us through the ILR and receive £200 government core contribution.

Core government contribution and employer contribution payments

174. For the funding year 2015 to 2016 we will fund the core government contribution and any eligible employer incentives through the lead provider.

Incentive payments

175. Employers can only receive each eligible incentive once for each apprentice, for each apprenticeship.
176. Lead providers must provide employers with an employer incentive claim form and employers must use this form to claim any incentives they are entitled to receive through their lead provider.
177. Lead providers must not make payment or claim incentive funding unless they hold a correctly completed and signed employer declaration. Lead providers must retain claim forms received from employers for audit purposes as part of the apprenticeship evidence pack.
178. Lead providers will receive incentive payments from us on behalf of the employer. These must be passed in full to the employer within 10 working days of receipt of a correctly completed claim form and receipt of this funding from us. The only exception is where the employer fails to claim or submits an incorrect employer incentive claim form to the lead provider. In these circumstances, the lead provider must make all reasonable effort to obtain a completed employer incentive claim form from the employer. The incentive payment must then be passed to the employer within 10 working days of receipt of the employer's correctly completed claim.
179. If the lead provider fails to make the payment within the appropriate timescale we reserve the right to deduct the sum due to the employer from payments due to the lead provider from us and pay the employer directly. Lead providers must inform us if they have been unable to pass on any incentive payment after 40 working days of receipt.
180. Incentive payments are not linked to the payment schedule agreed between the employer and lead provider although the schedule may highlight when incentive payments are likely to be made.
181. The lead provider must complete and submit the ILR in line with the ILR collection timetable and timeliness standards to ensure that there are no delays with the processing of any incentive payments which the employer is eligible to receive. Lead providers are responsible for ensuring that an absence of, or incorrect ILR data, does not cause a delay to the payment of incentives.

Recovery of funds

182. We may take action including to recover all or part of government funding from lead providers where we are satisfied that there has been a breach of the funding rules, where this has led to claims for funding through the core government contribution and/or additional employer incentive payments, to which the provider and/or employer is not entitled. Where the failure to comply with the funding rules is the fault of an employer not in receipt of a direct grant, we will recover the funding due as a result from the lead provider who will need to recover it from the employer.
183. Providers must ensure that they have suitable robust systems and procedures in place which guard against fraudulent activity. Lead providers must make employers aware of the specific checks and actions which exist for this purpose. In particular, lead providers must

confirm employer responsibilities in, and the impact of, making eligibility declarations and ensure that these are supported in the written documentation with employers.

184. Such systems, procedures and documentation must enable lead providers to recover government funding from employers and/or repay government funding they have received where there has been a breach of the funding rules. This might include, for example:
 - 184.1. Where employers have incorrectly or fraudulently declared (in their signed declaration) that they or their apprentice is eligible for funding
 - 184.2. Where employers have received government contribution and incentives
 - 184.3. Where no training or assessment has taken place
 - 184.4. Where employers have not paid their one-third contribution to the provider
185. Providers and employers must adhere to the rules for eligibility and regarding a change in either their or their apprentices' circumstances. Please see [Section 6 - What to do when there is a change of circumstances during apprenticeship delivery.](#)
186. We will recover funding from the lead provider where the ILR data shows the planned end-date and/or actual end-date is set below the minimum for each standard because this renders the apprenticeship ineligible for funding. An apprentice leaving their apprenticeship programme early is not a breach of this rule.

Apprenticeships – a quick guide to payments and payment processes



Apprenticeship funding and payments – nine simple steps

Lead provider obtains confirmation of **employer and apprentice eligibility**
Lead provider creates **Individualised Learner Record (ILR)** for each apprentice and enters data including apprentice and employer details, apprenticeship standard, Trailblazer apprenticeship programme type, agreed price for training and assessment and learning start date as set out in the [Guidance for recording Trailblazer apprenticeships in the ILR for 2015 to 2016](#).

Lead provider claims funding for **English and maths and learning support** (if applicable) and pays other providers (if relevant) as set out in subcontracting arrangements.

Employer makes **cash contributions** as set out in agreed payment schedules (for training and assessment). Lead provider processes payment internally and generates evidence for audit purposes.

Lead provider enters **employer payment onto ILR** (once evidence is in place) and submits with next monthly return in line with Trailblazer Data Returns Timetable.

The SFA calculates core government contribution:
 $\text{Employer contribution} \times 2 = \text{core government contribution}$.

If an apprentice leaves their apprenticeships early this may result in overpayment of government funding. Any overpayment must be repaid to the SFA.
Please refer to **Section 6** and the [Guidance for recording Trailblazer apprenticeship in the ILR for 2015 to 2016](#) for further details.

Lead provider earns **core government contribution** in line with Trailblazer apprenticeship payment schedule dates. The SFA continues to calculate earnings based on employer cash contributions made and submitted through the ILR, up to two-thirds of the agreed price for training and assessment or the core government contribution for the relevant standard, whichever is the lower.

Three months (90 days) after apprentice starts
Lead provider earns small employer incentive payment (if applicable) at fixed rate for relevant core government contribution.
Lead provider receives first 16 to 18 incentive payment (if applicable) at 50% of fixed rate for relevant core government contribution.

Lead provider makes relevant payments to other providers (if applicable) as set out in subcontracting arrangements.

12 months (365 days) after apprentice starts
Lead provider receives final 16 to 18 incentive payment (if applicable) at 50% of fixed rate for relevant core government contribution.

Lead provider passes any **incentive payment**, in full, to the employer within 10 working days of receipt.

Apprentice finishes training and **completes apprenticeship** including end-point assessment and English and maths requirements. Lead provider records the apprentice's completion on the ILR (once certificate claimed) and submits with next return.

Lead provider earns **completion payment** (if applicable) at fixed rate for relevant core government contribution.

Lead provider passes any **completion payment**, in full, to the employer by 10 working days of claim form receipt.

Funding system arrangements for assessment organisations are currently being developed. Both the employer and the assessment organisation must agree that the apprentice has completed the relevant standard.

Section 6 - What to do when there is a change of circumstances during apprenticeship delivery

187. This section sets out the rules for employers and providers when there is a change which either means that the apprenticeship delivery cannot continue as previously or must stop altogether. This includes changes to the employer, their apprentice or the arrangements between the two, or changes to the provider.
188. This section sets out the typical changes in circumstances that may occur during the delivery of an apprenticeship programme. If you need further advice on a change not included in this section, please email trailblazerfundingenquiries@sfa.bis.gov.uk for further guidance.
189. The employer must inform the lead provider about any change of circumstance that may affect the amount of government funding that can be claimed or the apprentice's ability to successfully complete their apprenticeship as originally planned. They must do this as soon as they are made aware of the change.
190. Changes include, but are not limited to, a change:
- 190.1. of employer, or employer circumstance (for example the employer goes into administration)
 - 190.2. of apprentice job role or employment status
 - 190.3. in the apprentice's circumstances leading to a break in learning
 - 190.4. in the apprentice's status; the apprentice leaves their apprenticeship early
191. Where there is a change of circumstance as set out in these rules, the lead provider must update the ILR in accordance with the ILR guides and templates section of our [website](#). Lead providers must do this as soon as they are made aware of the change. A new or revised written agreement (including price and eligibility declaration) and a new commitment statement and/or apprenticeship agreement may also be needed. Lead providers must ensure that these are in place if required and retain the updated signed copies in the apprenticeship evidence pack.
192. If an apprentice has a break in learning this may affect the timing of employer incentive payments. For example, if an apprentice starts a break in learning before the small employer incentive is due, this payment will be delayed until the apprentice resumes their apprenticeship and has reached an overall total of 90 days in learning. Lead providers must not record a break in learning for short-term absences, such as holidays. We will stop funding an apprentice during a break in learning.

Redundancy

193. Apprentices who are made redundant through no fault of their own, up to six months before the planned end date of their apprenticeship, do not need to be employed under an apprenticeship agreement.
194. In this circumstance, the lead provider can continue the delivery of the apprenticeship and continue to draw down the government contribution agreed for delivery of the apprenticeship, providing that:

- 194.1. all remaining elements required by the standard, and the end-point assessment itself are capable of being successfully delivered and
- 194.2. the apprentice can be fully prepared and supported through to the end-point assessment

195. Further guidance on accessing government co-payment contribution if the apprentice is made redundant will be issued in September 2015.

Where training or assessment is no longer being delivered

196. Where a change of circumstance means that training and/or end-point assessment is no longer being delivered, no further government funding contributions or incentive payments must be claimed.
197. The lead provider and the employer must agree the cost of the training and/or end-point assessment delivered to date. The employer must ensure that they have paid the employer contribution for any training or end-point assessment that has already been delivered.
198. When a change of circumstance occurs, this may result in over-payment of government funding, depending on actual delivery and the payment schedule agreed by the employer and lead provider. Any over-payment of government funding must be repaid to us and the lead provider is responsible for administering the repayment of funding through the ILR. The lead provider must follow the arrangements set out in their written agreement for any over-payment of employer contributions.
199. The lead provider and employer will agree reimbursement 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.
200. Table 2 below describes the action which must be taken when a particular change of circumstance occurs, including what must happen with regards to government and employer contributions and incentive payments. Where changes occur that are not included in this document, you should seek specific advice from us about what action you should take. Please email trailblazerfundingenquiries@sfa.bis.gov.uk.
201. Lead providers must ensure that the commitment statement and written agreement between the lead provider and employer are updated and redistributed in response to any change in circumstance if needed.
202. Please refer to the [Guidance for recording Trailblazer apprenticeships in the ILR for 2015 to 2016](#), for details of how to record these changes in circumstance on the ILR which you can find on our [website](#). We will update this guidance as new changes of circumstance arise. If you need any further advice, please contact us.

Table 2 Summary of action following change in employer, apprentice or provider circumstances

Change	Example reasons	Action	Employer and government contributions	Incentive payments
1. Apprentice requires a break in their apprenticeship	Illness, maternity or other personal reason	Refer to ILR Guidance for recording Trailblazer apprenticeships in the ILR for 2015 to 2016	Stop until apprentice resumes their apprenticeship	Stop until apprentice resumes their apprenticeship
2. Apprentice is no longer employed by the employer	Resignation or other reason	Refer to ILR Guidance for recording Trailblazer apprenticeships in the ILR for 2015 to 2016	<p>Stop and any over-payment of the government contribution is repaid</p> <p>Any over-payment of the employer contribution is repaid to the employer by the lead provider</p>	Stop but employer retains any incentive payments already made
3. Apprentice is no longer employed by the employer	Apprentices who are made redundant through no fault of their own, up to six months before the planned end date of their apprenticeship	Refer to ILR Guidance for recording Trailblazer apprenticeships in the ILR for 2015 to 2016	<p>Employer contribution stops.</p> <p>Lead provider repays any over-payment of the employer contribution to the employer</p> <p>Government contribution continues to be paid monthly on profile</p>	Stop but employer retains any incentive payments already made

Change	Example reasons	Action	Employer and government contributions	Incentive payments
4. Apprentice leaves their apprenticeship early but remains with the same employer	New job role with the same employer, decision to stop the apprenticeship by employer or apprentice or other reason	Refer to ILR Guidance for recording Trailblazer apprenticeships in the ILR for 2015 to 2016	<p>Stop and any over-payment of the government contribution is repaid</p> <p>Lead provider repays any over-payment of the employer contribution to the employer</p>	Stop but employer retains any incentive payments already made
5. Apprentice starts a new role with the same employer and requires a different apprenticeship standard	Internal promotion, restructure or other reason	<p>Employer confirms that apprentice is in new job role</p> <p>New price agreed for training and assessment for the new standard, taking into account relevant learning from the first apprenticeship (this may be with the existing lead provider or a new lead provider)</p> <p>There must be at least 12 months of learning required to complete the new standard (or the minimum duration set out in the relevant standard if this is greater)</p> <p>Please also see Funding for apprenticeships supports progression in skills and learning</p>	<p>Stop and any over-payment of the government contribution is repaid</p> <p>Any over-payment of the employer contribution is repaid to the employer by the lead provider</p> <p>Payments made in line with new payment schedule</p>	<p>Employer can only receive each incentive payment once for each apprentice</p> <p>If incentive payments have already been made, the employer will only be able to receive any remaining incentive payments, for example, 50% of the 16 to 18 incentive payment at 12 months</p>

Change	Example reasons	Action	Employer and government contributions	Incentive payments
		for further information		
6. Apprentice starts a new job with a different employer and continues their apprenticeship with the same lead provider	Apprentice chooses to apply for new job, lead provider supports apprentice to find a new job following redundancy or other reason	<p>New price agreed for the remainder of the apprenticeship training and assessment, taking into account relevant learning from first employer</p> <p>There may be fewer than 12 months of learning required to complete the standard but the total length of learning must meet or exceed the minimum of 12 months (or the minimum duration set out in the relevant standard if this is greater)</p>	<p>Stop (for the first employer) and any over-payment of the government contribution is repaid</p> <p>Any over-payment of the employer contribution is repaid to the first employer by the lead provider</p> <p>Payments made by new employer in line with new payment schedule</p>	<p>Stop for the initial employer but they retain any incentive payments already made</p> <p>New employer receives any incentive payments that have not already been paid, subject to eligibility</p>
7. Apprentice starts a new job with a different employer and continues their apprenticeship with a different lead provider	Apprentice chooses to apply for a new job, new lead provider supports apprentice to find a new job following redundancy or other reason	<p>New price agreed for the remainder of the apprenticeship training and assessment, taking into account relevant learning from first employer</p> <p>There may be fewer than 12 months of learning required to complete the standard but the total length of learning must meet or exceed the minimum of 12 months (or the</p>	<p>Stop (for the first employer) and any over-payment of the government contribution is repaid</p> <p>Any over-payment of the employer contribution is repaid to the employer by the lead provider</p> <p>Payments made by new employer in line with the new payment</p>	<p>Stop for the initial employer but they retain any incentive payments already made</p> <p>New employer receives any incentive payments that have not already been paid, subject to eligibility</p>

Change	Example reasons	Action	Employer and government contributions	Incentive payments
		minimum duration set out in the relevant standard if this is greater)	schedule and government contributions start again	
8. Apprentice starts a new job with a different employer and requires a different apprenticeship standard	Apprentice chooses to apply for a new job or other reason	<p>New price agreed for training and assessment for the new standard, taking into account relevant learning from the first apprenticeship (this may be with the existing lead provider or a new lead provider)</p> <p>There must be at least 12 months of learning required to complete the new standard (or the minimum duration set out in the relevant standard if this is greater)</p> <p>Also see Funding for apprenticeships supports progression in skills and learning for further information</p>	<p>Stop and any over-payment of the government contribution is repaid</p> <p>Any over payment of the employer contribution is repaid to the employer by the lead provider</p> <p>Payments made by the new employer in line with the new payment schedule and government contributions start again</p>	<p>Stop for the initial employer but they retain any incentive payments already made</p> <p>New employer receives any incentive payments that have not already been paid, subject to eligibility</p>
9. Employer selects a different lead provider	Poor customer service from lead provider, lead provider ceases trading, lead provider no longer wishes to work with employer or other reason	New price agreed for the remainder of the apprenticeship training and assessment. The new lead provider may agree to continue with the existing price and payment schedule	<p>Stop and any over-payment of the government contribution is repaid</p> <p>Any over-payment of the employer contribution is repaid to the employer by the</p>	Employer continues to receive any incentive payments subject to eligibility

Change	Example reasons	Action	Employer and government contributions	Incentive payments
		There may be fewer than 12 months of learning needed to complete the standard but the total length of learning must meet or exceed the minimum of 12 months (or the minimum duration set out in the relevant standard if this is greater)	original lead provider Payments made by employer in line with payment schedule agreed with the new lead provider, and government contributions start again	
10. Lead provider ceases trading	Liquidation or other reason	Lead provider informs Agency and employer that they are going to cease trading Lead provider must, where possible, support the apprentice and employer to identify a new lead provider	Stop and any over-payment of the government contribution is repaid Contribution payments may resume if a new lead provider is identified Any over-payment of the employer contribution is repaid to the employer by the lead provider	Stop but employer retains any incentive payments already made Incentive payments may resume if a new lead provider is identified
11. Employer ceases trading	Liquidation or other reason	Employer informs us and lead provider that they are going to cease trading	Stop and any over-payment of the government contribution is repaid Any over-payment of the employer contribution is repaid to the employer by the lead provider	Stop but employer retains any incentive payments already made

Section 7 - Contracts and agreements between employer and lead provider

203. This section sets out the rules for employers and providers on documentation and agreements relating to an apprenticeship. This section also explains what must be included in the written agreement or contract between the lead provider and the employer, and actions regarding resolution of disputes between the employer and their provider(s).

The agreement between employers and lead providers

204. The employer and lead provider must make sure that all elements of the agreement regarding the supply of training and end-point assessment are set out in writing and that the employer and lead provider keep a current signed and dated version on record at all times. This document must include:

- 204.1. confirmation and signature from the employer for eligibility of the apprentice for apprenticeship funding and 16 to 18 incentive payments, if applicable
- 204.2. confirmation and signature from the employer of their eligibility for the small employer incentive payment, if applicable
- 204.3. the services agreed for delivery of the apprenticeship
- 204.4. the payment schedule for the employer cash contribution payments, setting out the dates for claiming any eligible incentive payments
- 204.5. details of any eligible, evidenced employer costs for direct grant employers
- 204.6. confirmation that learning support is available to support apprentices with additional learning needs. Where learning support has been specifically identified and agreed, the commitment statement must clearly set out what this is being used for
- 204.7. the process for resolving any issues and disputes regarding the apprenticeship, including quality and payment and the escalation process to the SFA
- 204.8. where a lead provider plans to deliver training or end-point assessment through subcontracting, the arrangements for this, including services, costs and payment schedules (for all lead and subcontracted arrangements to be paid for through the co-payment) should be explicit in the agreement. Any exceptions agreed with us must be set out in the body of the written agreement, and the SFA exception letter included as an annex to the written agreement
- 204.9. the right of a lead provider to recover sums from the employer in the event that the employer is in breach of the funding rules as set out in this document
- 204.10. at Annex A, a commitment statement for every apprentice covered by the written agreement
- 204.11. as an annex, any written exceptions agreed with us

The commitment statement between employer, apprentice and lead provider

205. The employer and lead provider must make sure that the commitment to successful completion of the apprenticeship is set out in writing for the apprentice. The commitment statement must be signed by the apprentice, their employer and the lead provider, and all three parties must keep a current signed and dated version on record.

206. The commitment statement is intended to provide a short summary, typically no longer than two to three pages, and should include the following as a minimum:
- 206.1. details of the standard being followed, including start/end dates for the apprenticeship training and end-point assessment and key milestones for mandatory or other qualification achievements.
 - 206.2. details on which elements are eligible for co-funding and necessary to meet the end-point assessment, those which are extra and not eligible for co-payment but will be fully funded by the employer, and those fully funded by the SFA including English and maths
 - 206.3. the list of organisations delivering each segment of the training and end-point assessment
 - 206.4. roles and responsibilities for employer, provider and apprentice and arrangements for how the three parties will work together. This must include contact details and set out the expected commitment from each to ensure the smooth running and day-to-day delivery of the apprenticeship, including for example:
 - a) apprentice; attendance and study time
 - b) employer; commitment to wages and time off to study in the working day
 - c) provider; support and guidance available and how to access this
 - 206.5. the process for employer and apprentice to use for resolving any queries or complaints regarding the apprenticeship, including quality. This must include details of the escalation route within the lead provider's own organisation and the escalation process to the SFA through the Apprenticeship Helpline.

The employer incentive claim form

207. Lead providers must provide employers with an employer incentive claim form to enable them to claim any eligible employer incentives. The claim form must contain at least the following.
- 207.1. Name of the employer making the claim
 - 207.2. Date the claim is being made
 - 207.3. Name of the lead provider
 - 207.4. Start date of the apprentice(s) being claimed for
 - 207.5. Name(s) and date(s) of birth of apprentice(s)
 - 207.6. Apprenticeship standard(s)
 - 207.7. Amount of money being claimed for each apprentice
 - 207.8. Type of incentive being claimed for each apprentice, for example, first 16- to 18-year-old incentive payment due at three months (90 days) after the start of the apprenticeship
 - 207.9. Total amount of incentive payments being claimed on the form
 - 207.10. A signed declaration from the employer that the information provided is correct and they are not claiming money they have previously claimed and/or received.

Disputes and issue resolution between employer and provider

208. The lead provider is responsible for resolving issues and disputes between the employer and other providers. Training and assessment providers 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 commitment statement.
209. Agreements entered into by employer and provider are legal agreements and dispute resolution should be in accordance with the terms of the agreement and ultimately would be enforceable through the courts.
210. Apprentices and their employers must be made aware by the lead provider that they can contact the Apprenticeship Helpline regarding apprenticeship concerns, complaints and enquiries. The contact number and website must also be included in the employer's written agreement and in the apprentice's commitment statement.

Section 8 – additional rules for lead providers and employers wishing to enter into subcontracting arrangements

211. This section sets out the requirements for lead providers and employers regarding subcontracting for the delivery or assessment of apprenticeships.
212. Where the employer chooses one or more providers to deliver their chosen apprenticeship standard, they must identify a 'lead provider' who will be responsible for subcontracting provision to all other providers involved in the delivery of the standard. A subcontractor is a legal entity that has an agreement with a lead provider to deliver education and training funded by us.
213. The lead provider and employer must agree any subcontracting arrangements, in advance of the start of the apprenticeship. These arrangements must be detailed in the written agreement and each organisation and their role in delivering the apprenticeship set out in the commitment statement.
214. The lead provider must not use any subcontractors to deliver the employer's chosen apprenticeship standard that have not been agreed with the employer in advance of the start of the apprenticeship.
215. The lead provider must make sure that any apprenticeship provision subcontracted meets all of the standards required of apprenticeship delivery, including the Statement of Apprenticeship Quality published by the Department for Business, Innovation & Skills.
216. The lead provider's governing body/board of directors and accounting officer (senior responsible person) must be satisfied that all subcontracting undertaken meets their strategic aims and enhances the quality of the offer to apprentices. Examples of the senior responsible person are: chief executive, managing director, principal or their equivalent. The reasons for subcontracting set out in the lead provider's published supply chain fees and charges policy should reflect their strategic aims. The lead provider must not subcontract to meet short-term funding objectives.
217. The lead provider must only use subcontractors if it has the appropriate knowledge, skills and experience to successfully procure, contract with and manage those subcontractors.
218. The lead provider must only use subcontractors who their governing body/board of directors and accounting officer (senior responsible person) determine are of a high quality and low risk.
219. We expect the lead provider to have robust procedures in place to ensure that subcontracting does not lead to the inadvertent funding of extremist organisations.
220. The lead provider is responsible for all the actions of their subcontractors connected to or arising out of the delivery of the services that they subcontract.
221. We can, at any time, assess the lead provider's arrangements for subcontracting. We can also require the lead provider to commission an independent report on these arrangements from a third party, such as their external auditors.

Selection and procurement

222. If they have not previously subcontracted provision we fund, lead providers must get our approval in writing before awarding a contract to a subcontractor. Lead providers can find information about this on our [website](#).
223. When appointing subcontractors the lead provider must avoid conflicts of interest and should:
 - 223.1. tell the SFA and the employer, in writing, about any circumstances (for example, where the lead provider and their proposed subcontractor have common directors) which might lead to an actual or perceived conflict of interest
 - 223.2. not award the contract without the SFA and the employer's permission in writing, and
 - 223.3. send their request to their Central Delivery Service Adviser
224. The lead provider must carry out their own due diligence checks when appointing subcontractors. The lead provider must not use the Register of Training Organisations as a substitute for carrying out their own due diligence checks. If, as a result of the due diligence checks, the lead provider is unwilling to enter into the contract, they must discuss this with the employer and agree alternative arrangements.
225. The lead provider must not appoint any subcontractors with a contract value of £100,000 or greater for each funding year unless the subcontractor is listed on the Register of Training Organisations first. This also applies if the subcontract from the lead provider would take the total value of subcontracts that the subcontractor holds to deliver education and training funded by us to £100,000 or more.
226. The lead provider must obtain this information from each proposed subcontractor and also refer to the latest published List of Declared Subcontractors and Register of Training Organisations.
227. If a subcontractor the lead provider is using exceeds the £100,000 threshold and is not listed on the Register of Training Organisations, the lead provider must immediately end their subcontract with that organisation. This applies regardless of whether the lead provider was the provider whose contract took the subcontractor over the threshold.
228. We expect the lead provider to make sure any subcontractor they appoint continues to meet the Register of Training Organisations' requirements and that they receive all the necessary support from the lead provider.
229. If any of the following circumstances apply, the lead provider must not enter into new subcontracting arrangements or increase the value of their existing arrangements. These conditions will continue until we are satisfied that the concerns have been addressed and the circumstances below no longer apply.
 - 229.1. If Ofsted has rated the lead provider's leadership and management as inadequate
 - 229.2. If the lead provider does not meet our Minimum Standards
 - 229.3. If the outcome of the lead provider's annual financial health assessment we carry out is inadequate

230. By exception, the lead provider may subcontract with the apprentice's employer for some elements of the apprenticeship delivery. This exception is at the discretion of the Skills Funding Agency and may require further conditions. Agreement in writing is required before the apprenticeship commences. This exception must be included as an annex to and referred to in the body of the written agreement and retained as evidence in the apprenticeship evidence pack.

Entering into a subcontract

231. All apprentices who are provided with education and training under a subcontract remain the lead provider's responsibility and the lead provider remains ultimately responsible for all provision they subcontract. If the lead provider's subcontractor fails to deliver, the lead provider will be responsible for making alternative arrangements for the delivery of education and training and/or repaying us.

232. The lead provider must only award contracts for delivering funded provision to legal entities. If the legal entity is a registered company, it must be recorded as 'active' on the Companies House database.

233. The lead provider must not award a subcontract to any organisation if:

- 233.1. it has an above-average risk warning from a credit agency
- 233.2. it has passed a resolution (or the court has made an order) to wind up or liquidate the company, or administrators have been appointed, or
- 233.3. its statutory accounts are overdue

234. The lead provider must make sure that apprentices and employers supported through subcontracting arrangements know about their and their subcontractor's roles and responsibilities in providing the learning. This must be set out in the written commitment statement.

235. The lead provider must have a legally binding contract with each subcontractor that includes all the terms set out below in paragraphs 237 to 243.

236. The lead provider must have a contingency plan in place for apprentices in the event that:

- 236.1. they need to withdraw from a subcontract arrangement
- 236.2. a subcontractor withdraws from the arrangement, or
- 236.3. a subcontractor goes into liquidation or administration

237. Education and training provided by subcontractors must keep to our funding rules. The lead provider must make sure that the terms of their subcontracts allow them to:

- 237.1. monitor the subcontractor's activity
- 237.2. have control over their subcontractors, and
- 237.3. monitor the quality of education and training provided by subcontractors

Terms that must be included in contracts with subcontractors

238. We do not provide a template for subcontracts, but lead providers must make sure their subcontracts include the contents of this section. Lead providers should take their own legal advice on the wider terms and conditions of contracts they enter into with subcontractors.

239. The lead provider is responsible for ensuring all subcontractors comply with these funding rules.
240. Subcontractors must give us, and any other person nominated by us, access to their premises and all documents relating to SFA-funded provision. Subcontractors must give the lead provider sufficient evidence to allow them to:
 - 240.1. assess their performance against Ofsted's Common Inspection Framework
 - 240.2. incorporate the subcontractor's evidence into their self-assessment report, and
 - 240.3. guide the judgements and grades within the lead provider's self-assessment report
241. Subcontractors must always have suitably qualified staff available to provide the education and training we fund.
242. Subcontractors must co-operate with the lead provider to make sure that there is continuity of learning if the subcontract ends for any reason.
243. A subcontractor must tell the lead provider if evidence of any irregular financial or delivery activity arises. Irregular activity could include, but is not limited to:
 - 243.1. non-delivery of training when funds have been paid
 - 243.2. sanctions imposed on the subcontractor by an awarding organisation
 - 243.3. an inadequate Ofsted grade
 - 243.4. complaints or allegations by apprentices, people working for the subcontractor or other relevant parties, and
 - 243.5. allegations of fraud
244. All European Social Fund (ESF) clauses from the lead provider's funding agreement with us must be included in the subcontract, even if the provision being subcontracted is not funded by the ESF. In addition, subcontractors must not:
 245. use our funding to make bids for or claims from any European funding on their own behalf or on our behalf
 246. use payments made in respect of apprenticeship standards apprenticeships as match funding for ESF co-financing projects

Monitoring

247. The lead provider must robustly manage and monitor all of their subcontractors to ensure that high-quality delivery is taking place that meets the specific funding requirements for each apprenticeship standard being delivered.
248. The lead provider must carry out a regular and substantial programme of quality-assurance checks on the education and training provided by subcontractors, including visits at short notice and face-to-face interviews with staff and apprentices. The programme must:
 - 248.1. cover whether the apprentices exist and are eligible
 - 248.2. involve direct observation of initial guidance
 - 248.3. involve direct observation of assessment, and
 - 248.4. involve direct observation of the delivery of apprenticeships
249. The findings of the lead provider's assurance checks must be consistent with their expectations and the subcontractor's records.

250. The lead provider must make sure that any apprenticeship provision that they subcontract meets the relevant apprenticeship standard.

Second-level subcontracting

251. The lead provider must get our approval in writing each year if they want to subcontract to a second level. We will only allow second-level subcontracting in exceptional circumstances. More information is available on our [website](#).
252. All funding rules for subcontractors apply to second-level subcontractors.
253. The lead provider must declare any second-level subcontracting on their Subcontractor Declaration Form by ticking the relevant box.

Reporting subcontracting arrangements

254. The lead provider must provide a fully completed Subcontractor Declaration Form by the exact dates we will give them. This will be at least twice during 2015 to 2016. If the lead provider does not return the form on time, we will suspend their payments. If the lead provider does not subcontract, they must still provide a nil return form to confirm this.
255. The lead provider must also update and return their Subcontractor Declaration Form if their subcontracting arrangements change during the year.
256. The lead provider must report all subcontracted learning in the ILR and provide the lead provider with ILR data so the lead provider's data returns to us accurately reflect subcontractor delivery information.

Distributing income between subcontractors

257. By law the SFA must make the best use of resources when securing the provision of education and training. We will monitor the fees and any charges associated with subcontracting to make sure enough funding is being allocated for providing high-quality education and training.
258. The lead provider's supply-chain fees and charges policy must be reviewed and signed by their governing body/board of directors and accounting officer. The lead provider must publish their supply-chain fees and charges policy on their website before entering into any subcontracting agreements for the 2015 to 2016 funding year.
259. The lead provider's fees and charges policy must only include 'provision subcontracting'. Provision subcontracting is when a lead provider subcontracts the delivery of a whole apprenticeship standard to a single provider. This is different to subcontracting part of the delivery of an apprenticeship standard. If the lead provider is unsure whether their subcontracting arrangements are defined as 'provision subcontracting', they should discuss this with our Central Delivery Service.
260. Employers receiving direct grant funding from us must publish information on their fees and charges policy for the 2015 to 2016 funding year online or, where this is not appropriate, send the information to their employer development manager. This

information will then be held on record and be available for requests under the Freedom of Information Act.

261. Lead providers must, as a minimum, include the following in their supply-chain fees and charges policy.
 - 261.1. Their reason for subcontracting
 - 261.2. Their contribution to improving their and their subcontractor's quality of teaching and learning
 - 261.3. The typical percentage range of fees they retain to manage subcontractors, and how they calculate this range
 - 261.4. The support subcontractors will receive in return for the fee the lead provider charges
 - 261.5. If appropriate, the reason for any differences in fees charged for, or support provided to, different subcontractors
 - 261.6. Payment terms between the lead provider and their subcontractors; timing of payments in relation to delivering provision and timescale for paying invoices and claims for funding received
 - 261.7. How and when the policy is communicated to, and discussed with, current and potential subcontractors
 - 261.8. Timing for policy review
 - 261.9. Where the policy is published
262. Lead providers must also publish the actual level of funding paid and retained for each of their subcontractors in 2015 to 2016. This data must be published within 30 days of the 2015 to 2016 ILR closing.
263. The actual level of funding paid and retained must only include 'provision subcontracting', which is defined in paragraph 256.
264. Employers receiving grant funding direct from us should publish their data online or, where this is not appropriate, send it to their employer development manager within 30 days of the 2015 to 2016 ILR closing. This information will then be held on record and be available for requests under the Freedom of Information Act.
265. Lead providers must, as a minimum, include the following in their published supply-chain fees and charges.
 - 265.1. Name of the subcontractor
 - 265.2. The UKPRN number of the subcontractor
 - 265.3. Contract start and end date
 - 265.4. Type of provision (for example, apprenticeship standards).
 - 265.5. Funding we have paid to the lead provider for provision delivered by the subcontractor in that academic year
 - 265.6. Funding the lead provider has paid to their subcontractor for provision delivered in that academic year
 - 265.7. Funding the lead provider has retained in relation to each subcontractor for that academic year
 - 265.8. If appropriate, funding the subcontractor has paid to the lead provider for services or support provided in connection with the subcontracted provision
266. Lead providers must publish this information on actual fees and charges alongside their supply-chain fees and charges policy.

Section 9 - Additional rules for direct grant employers

267. This section provides details of additional rules which only apply to direct grant employers. Direct grant employers are those employers who hold a current funding agreement with us and are listed on our Register of Training Organisations.

Direct grant employers directly delivering all or part of their training

268. Direct grant employers can directly deliver all or part of their apprenticeship standard training programme.
269. Direct grant employers must calculate and report in the ILR the full cost of training and assessment including the end-point assessment for each apprentice, as this will determine the value of the core government contribution.
270. We will monitor training and end-point assessment costs to ensure that direct grant employers achieve best value, such as economies of scale, which can be taken into consideration when calculating delivery costs.
271. Direct grant employers may demonstrate that they make employer contributions through the internal transfer of training costs to another part of the organisation. This can be evidenced by setting up a separate distinct cost code to demonstrate that an internal transfer has taken place, or other suitable evidence including a schedule of payments, internal requisition of training, or internal payment transfers and invoicing.
272. Direct grant employers can use the evidenced costs they incur for the direct delivery of their apprenticeship standard training as part of their employer contribution. Such costs are defined as the salary plus 'on costs' of individuals employed by the direct grant employer for the time they are directly involved in the administration, training or end-point assessment of the apprenticeship programme. Costs may also include the evidenced travel and subsistence costs of staff directly involved in delivery of the apprenticeship programme where these relate explicitly to the delivery of apprenticeship training or end-point assessment.
273. 'On costs' can include employment costs such as employer pension contributions, national insurance, and employee benefits.
274. An individual's time for administration, training or end-point assessment not connected to an apprenticeship standard cannot be counted as employer contributions. Direct grant employers can calculate the average cost of salaries and 'on costs' over a period of time, for example, one year and set this against the costs of directly delivering the apprenticeship standard over the same time.
275. Evidence must be retained which clearly demonstrates the costs to the direct grant employer for their administration, training and end-point assessment of the apprenticeship standard. Evidence requirements which can be used include: payroll, payslips, expense claims, hourly pay rates and training plans which include the hours of training delivered.
276. Direct grant employers can claim the core government contribution for their evidenced employer contributions for the direct delivery of their apprenticeship standard. The same principles apply as for other employers; government will pay £2 for every £1 the employer pays up to the core government contribution cap allocated for the standard.

277. Direct grant employers can claim additional incentive payments for which they are eligible.

Opting out of employer contributions for direct delivery

278. If a direct grant employer directly delivers 100% of their training and chooses not to make any employer contributions, they will not be eligible to claim the government contribution for the training delivered.

279. Direct grant employers that choose to opt out of making employer contributions towards training will still be required to make their cash contribution for the end-point assessment of their apprentices. Core government contribution and additional employer incentives can be claimed against employer contributions made towards the end-point assessment.

Direct grant employers using external providers

280. Direct grant employers may use the services of external providers to deliver all or part of an apprenticeship standard.

281. Direct grant employers must:

- 281.1. agree a price with the contracted external provider(s) to deliver the training and assessment organisation to deliver the end-point assessment
- 281.2. pay the one-third employer cash contribution towards the training of apprentices and retain evidence of any payments made to the external provider

282. Direct grant employers can claim the core government contribution for evidenced employer contributions which they have made to the external provider and for additional incentive payments for which they are eligible.

Direct grant employers delivering apprenticeships to external employers

283. Where direct grant employers deliver apprenticeship standards to other employers (including those employers within their supply chain and franchises if they are not their own legal employees), they must follow the rules for lead providers set out in this document.

Section 10 - Additional rules for recognised apprenticeship training agencies (ATAs)

284. For the purpose of these rules, employers working with an ATA are defined as 'host employers' for the period where the apprentice is directly working within their organisation.
285. If an organisation operates an ATA, for example as their main business and is employing apprentices who are made available to host employers for a fee, they must clearly identify themselves as such and operate within our ATA recognition policy which is available on our [website](#).
286. If a provider is receiving funding from us and operates an ATA, they must set this up as a distinct business so that apprentices are contracted employees of the ATA and not the provider.
287. To protect the quality of apprenticeship provision, lead providers must only contract with our recognised ATAs. Please see the latest version of the [ATA framework](#).
288. Funding received by lead providers is intended for the delivery of training and end-point assessment and must not be used to pay apprentices' wages.
289. As the legal employer of the apprentice the ATA is responsible for making the employer cash contribution payments for the delivery of training and end-point assessment.
290. ATAs will need to agree a price and payment schedule for training and end-point assessment with a lead provider. This information must be recorded in a written agreement. Please see [Section 7 - Contracts and written agreements between employer and lead provider](#) for more information.
291. Evidence of transactions between the ATA and lead provider must be retained; such as an agreement between the ATA and lead provider on price and schedule of payments, invoices and receipts of payments made between the ATA and lead provider. Providers that operate their own ATA must maintain transparency to ensure that evidence of payments and the receipt of payments are retained.
292. ATAs can charge a fee to the host employer for services they provide.
293. All apprentices employed by ATAs must meet minimum duration rules of 12 months or that required by the standard. This could be achieved with one or more host employers.
294. If a host employer is unable to retain the apprentice, it is the ATA's responsibility to take all reasonable efforts to find an alternative, suitable host employer(s) so that the apprentice can complete their apprenticeship.

Additional incentive payments

295. It is the responsibility of the ATA as the legal employer to confirm the eligibility of individuals and of the host employer.

296. The lead provider must provide the ATA with an eligibility declaration form to sign which confirms the eligibility of the individual and the host employer to receive incentive payments. The declaration must be retained by the lead provider and the ATA.
297. The ATA must submit an employer incentive claim form to the lead provider to claim the incentive payments at the set points for their eligible host employers.
298. The lead provider can only pass on incentive payments once they have received an employer incentive claim form from the ATA.
299. ATAs must pass incentive payments to eligible host employers. ATAs can exercise their discretion on the value of incentive payments made between host employers where there are multiple employers involved in the apprenticeship programme. This will largely depend on the number of host employers to whom the ATA has hired the apprentice during their apprenticeship.
300. Incentive payments made by the ATA to the host employer must be clearly identifiable to the host employer as either the small employer, young people's or apprenticeship completion incentive.
301. Both the lead provider and the ATA must retain employer incentive claim forms and evidence of receipts of payment for each incentive payment.

Section 11 - Evidence requirements

302. This section sets out the details of the evidence that we will require from both employers and lead providers.

Principles of evidence

303. The purpose of the evidence is to assure us that funding has been claimed in accordance with the terms of our funding agreement and the funding rules. We will examine evidence to make sure we have that assurance.

304. Evidence must be created as part of a specific business process or as a usual part of your day-to-day working. We are keen that as much naturally-occurring evidence is used as possible as this reduces both unnecessary paperwork and cost.

305. Lead providers should be ready and able to demonstrate the link between the funding claimed and the receipt of funds from the employer for individual apprentices.

The main principles of providing evidence

306. As part of the written agreement between the employer and lead provider (please see [Section 7 - Contracts and written agreements between employer and lead provider](#)), employers must sign an eligibility declaration form, confirming both the eligibility of the apprentice and their eligibility as an employer for incentive payments.

307. It is the lead provider's responsibility to make sure the declaration form is signed by the employer.

308. Lead providers must retain a signed eligibility declaration for each apprentice.

309. Lead providers must hold evidence:

- 309.1. that the apprentice exists
- 309.2. that the apprentice is eligible for funding
- 309.3. that the employer is eligible for any incentive payments
- 309.4. of a signed written agreement with the employer in place before funding was earned and employer incentives paid
- 309.5. of a signed commitment statement with the employer and apprentice in place before funding was earned and employer incentives paid
- 309.6. that the education and training being delivered is eligible for funding
- 309.7. that the training/end-point assessment activity is taking place or has taken place
- 309.8. that the achievement of learning aims is certified (that is, a certificate has been issued by an awarding organisation or assessment body for the apprenticeship standard) and
- 309.9. to support other funding claimed, such as learning support and English and maths
- 309.10. that the apprenticeship has been completed

310. Lead providers must retain employer incentive claim forms submitted by employers.

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

- 311.1. Evidence that the apprentice exists and is eligible by the date that the first co-payment or incentive payment (whichever is the sooner) is made. For English and maths the evidence must be available by the end of the six-week qualifying period.
- 311.2. Evidence of completion and achievement by the date at which the apprentice has been identified on the ILR as completed and the completion incentive payment has been made to the employer.
- 311.3. The evidence of activity must be based on the lead provider's own policy. If an apprentice withdraws from training without achieving their standard, any claim for funding must only be for training and end-point assessment that has been delivered.

The Apprenticeship evidence pack (formerly the Learning Agreement)

- 312. Lead providers are responsible for creating and updating the apprenticeship evidence pack for each apprentice. Lead providers must keep each apprenticeship evidence pack safe.
- 313. The apprenticeship evidence pack is the main evidence to prove that the apprentice funding claimed for exists and is eligible for funding, and of the training and end-point assessment to be provided. It allows lead providers to show that the apprentice has confirmed the information supplied is correct and that the information lead providers have reported to us in the ILR is correct.
- 314. An apprenticeship evidence pack will be a collection of documents and information brought together to form a single point of reference relating to the training and end-point assessment that is taking place.
 - 314.1. The written agreement between the employer and the lead provider can be kept as part of the apprenticeship evidence pack in order to avoid duplication
 - 314.2. The provider's own copy of the commitment statement between the employer, the apprentice and the lead provider must be kept as part of the written agreement
 - 314.3. If training is delivered by an employer, this collection of documents may also be employment records held by the employer, such as application forms, learning and development plans and payroll systems
 - 314.4. The majority of information will come from normal processes and be produced as part of the organisation's business. It may be in paper, electronic or a mixture of formats. For employers and/or lead providers it could include enrolment forms, data-capture forms, induction checklists, initial assessments, training plans, confirmation letters to apprentices, self-declarations, attendance records, copies of certificates and result forms
- 315. The apprenticeship evidence pack must at least confirm the following relating to eligibility for funding.
 - 315.1. The apprentice's job role and the standard associated with it
 - 315.2. Relevant experience and achievements both in and outside their current working role
 - 315.3. The training and end-point assessment they have to carry out while on their apprenticeship
 - 315.4. The name of the employer and the agreed contracted hours of employment; the

- total planned length of the apprenticeship
- 315.5. Confirmation that an apprenticeship agreement is in place, plus a copy of the apprenticeship agreement, or confirmation that the employer has been told about their legal duty in terms of the apprenticeship agreement if a copy is not available
 - 315.6. All information reported to us in the ILR, and if it applies, the supporting evidence of the data being reported
 - 315.7. All initial, basic skills and diagnostic assessments
 - 315.8. Any record or information on prior learning that affects the training and end-point assessment or the funding of any of the training or end-point assessment being taken by the apprentice
 - 315.9. An outline of how the training and end-point assessment will be achieved.
 - 315.10. Any learning support identified through assessment provided to the apprentice. This includes evidence that the learning support has been delivered during the time that funding was claimed
 - 315.11. Any requirement for additional support for English and maths
 - 315.12. Records of attendance to confirm that the apprentice is still taking part in training and end-point assessment
 - 315.13. A record and evidence of achievement of qualifications or completion of an apprenticeship standard. This must be available within three months of this being reported in the ILR
316. If a subcontractor delivers any provision for the apprentice, they must clearly give the lead provider name as well as theirs in the apprenticeship evidence pack, and make sure that this is known to the apprentice. This must match the information reported to us in the ILR.
317. The employer and lead provider must confirm that the information in the apprenticeship evidence pack before any government contribution is paid. We will remove the funding if this confirmation is not provided.
318. Lead providers must keep an apprenticeship evidence pack to show they have the evidence needed to support the funding claimed. The apprenticeship evidence pack must be proportionate to the length of the apprenticeship and the characteristics of the apprentice.
319. If lead providers hold information for more than one apprentice centrally, such as result lists or employment records, they only need to refer to that central store. For example, if you provide evidence of confirmation:
- 319.1. of achievement using an awarding organisation's online database or the personal learning record or
 - 319.2. that the apprentice's address and date of birth are held in an employer's payroll system
320. Where evidence is already held in a central store, the lead provider should refer to the location of the evidence in the apprenticeship evidence pack rather than include a copy.

Confirmation and signatures

321. We recognise that the lead provider will decide which process they will use to record the apprentice's and employer's confirmation of information about the apprentice's training.

We recognise that it is unlikely that a standard approach and process will meet the needs of every employer.

322. Lead providers and employers can hold evidence in an electronic format. This includes holding information on electronic platforms and in scanned format, which includes, but is not restricted to, digital signatures. When a lead provider collects an apprentice's signature, we accept that it may be handwritten, in electronic format or both.
323. Lead providers and employers must make sure that digital signatures and the wider systems of control give their management team enough assurance that apprentices are eligible for funding and that they actually exist. Lead providers must also make sure that they have systems in place so they can monitor apprentice activity, including that they are continuing to learn and achieve.
324. It is the lead provider's responsibility to make sure that they keep an effective and reliable form of evidence to support funding claims, including evidence that apprentices actually exist and are eligible and the activity they carry out. Lead providers are responsible for making the evidence they hold easily available to us when we need it.

Training and assessment activity

325. The lead provider must provide evidence of training and end-point assessment reported in the ILR and recorded in the apprentice's apprenticeship evidence pack. The lead provider can do this through naturally-occurring evidence, such as registers, attendance records, reports, records of contact and reviews. If the lead provider does not have any evidence of training and end-point assessment taking place and they have claimed funding, we have the right to recover any funding paid.

Retention and completion

326. If an apprentice is still in training, or has left and not completed their standard, the lead provider must evidence that training and end-point assessment activity is taking place or has taken place. The evidence must be in the apprenticeship evidence pack. The exact nature of this evidence would be up to the lead provider (and may be based on the way in which learning takes place).
327. If the apprentice completes their apprenticeship, we will not need the lead provider to keep evidence of the activity that has taken place.
328. Lead providers do not need to keep copies of learning aim certificates, issued by awarding organisations, as evidence of achievement. For evidence of achievement we will use the data that awarding organisations give us as part of the Personal Learning Record (PLR), if this is available. We will compare the information held on the PLR against the achievement data lead providers report to us in the ILR to make sure only valid achievement is claimed for. Lead providers must still keep copies of apprenticeship standard completion as this information is not yet directly put in the PLR. In the future we intend to remove the requirement to keep apprenticeship standard certificates and will tell lead providers about this change when it happens.
329. Lead providers must still apply for, and send apprentices, the certificates that awarding organisations issue for achieving a learning aim where this is appropriate. In the apprenticeship evidence pack lead providers must record that this has happened. For

example, this could be records of postage, receipt books, records of awards ceremonies and so on.

Individualised learner record (ILR)

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

Self-declaration by apprentices

331. If a self-declaration relates to prior attainment, where appropriate, lead providers must check this against any information held in the Personal Learning Record. If the PLR contradicts the self-declaration, you must challenge the information supplied by the apprentice. The PLR will not automatically override the learner's self-declaration.

Additional evidence

332. As well as the apprenticeship evidence pack and written agreement we will require evidence of the following.

Paragraph	Evidence requirement
24	The date that an apprentice has started their apprenticeship is the date on which the activity related to the standard has begun. Induction, prior assessment, diagnostic testing or similar activity is not part of the standard and is not treated as the start of training.
24	Lead providers must check that the apprentice is employed at the start of the apprenticeship and retain a copy of the apprenticeship agreement.
26	If the working hours of the apprentice vary from week to week, lead providers must make sure they meet the minimum length of the standard. This includes both increases and reductions in hours where lead providers will extend or reduce the minimum length as necessary. Lead providers must not change the 'Learning planned end date' field of the ILR but this alteration will be reflected in the 'Learning actual end date' field of the ILR.

Paragraph	Evidence requirement
27	Employers must agree with their lead provider the average hours the apprentice will be 'at work' including paid training time and 'off-the-job' time with the employer, defined usually as a contracted number of hours every week. This must be recorded in the apprenticeship evidence pack (please see Section 11 - Evidence requirements), and the lead provider and the individual apprentice must have the opportunity to agree to these hours which will include periods of study.
37	In order to claim the employer incentive payments, there must be evidence that the apprentice was still in learning on or after the date each payment is due.
38	The employer and lead provider must agree a price and payment schedule for the apprenticeship standard and record the details in a written agreement. Please see Section 7 - Contracts and written agreements between employer and lead provider .
45	Lead providers must hold an apprenticeship evidence pack which confirms that the apprentice, their employer and the apprenticeship for which government co-payment has been claimed, are eligible for the value of funding claimed. The apprenticeship evidence pack must include a copy of the signed and dated written agreement between the employer and lead provider and the commitment statement signed and dated by the apprentice, the employer and the lead provider (please see Section 11 - Evidence requirements).
47	Every apprentice must hold a written commitment statement which sets out the detail for the delivery of their apprenticeship. This document must set out the planned content and schedule for training and end-point assessment. It must also set out what is expected and offered by the employer, lead provider (and any subcontractors) and the apprentice in achieving the apprenticeship.
54	If an apprentice commences an apprenticeship in a significantly new job role at the same level the lead provider must record this information as part of the commitment statement and retain evidence for eligibility in their apprenticeship evidence pack.
81	For apprenticeship standards, the evidence of completion we need is an apprenticeship completion certificate. Further advice on the evidence requirements for the employer incentive payment for completion of the apprenticeship will follow when arrangements have been finalised.
84	All eligible training to meet the requirements of the end-point assessment must be set out in the commitment statement and retained with the written agreement between the employer and provider.
118	The employer and lead provider must agree a payment schedule that ensures a flow of funding across the duration of the apprenticeship. The payment schedule must be included in the written agreement.

Paragraph	Evidence requirement
130	Evidence of cash contribution payments made by the employer must be retained and recorded for audit purposes, with receipts and invoices of monies received by the lead provider.
140	In order to claim funding for English and maths, there must be evidence that the apprentice was still in learning on or after the six-week funding qualifying period.
129 to 130	Lead providers must keep evidence of employer cash contribution payments made and received for both training and end-point assessment.
150	Evidence that the learning support claimed through the ILR is backed up by an assessment, that there is a planned programme of support included in the apprenticeship evidence pack, and there is evidence of the planned programme for providing additional support included in the apprenticeship evidence pack.
156	When a lead provider claims learning support over the fixed monthly rate they must keep evidence of total spending on the apprentice, and demonstrate why the cost of the support is greater than the total earned from the fixed monthly rate. Lead providers must keep evidence of why they have claimed the amount they have, which would be linked to the apprentice's assessment and planned learning support claim. Lead providers must only claim amounts for their costs of delivering the support to the apprentice and not include any indirect costs or overheads.
158	To claim learning support funding lead providers must agree and record the outcome of their assessment in the apprenticeship evidence pack.
161	Evidence of why the apprentice does not have an education, health and care plan. This should be a letter or email from the apprentice's local authority stating that the apprentice does not have an education, health and care plan as they do not meet the criteria.
162.1	A copy of the agreement from our Central Delivery Service to fund exceptional learning support. This could be an email from our Central Delivery Service.
176 to 178	Lead providers must keep evidence that employers have claimed eligible employer incentives and that they have passed the full value of incentive payments to the employer within 10 working days of receipt.
182 to 198	Evidence of any repayments made by an employer or provider. Suitable evidence could include financial system reports or other payment processing information.

Paragraph	Evidence requirement
190.3	For a break in learning, the apprentice's apprenticeship evidence pack must show previous training. For apprentices that transfer, documents must show the time they have already spent on the apprenticeship and that the total length will meet the minimum duration requirements.
191	Evidence of a new or revised written agreement (including price and eligibility declaration) required as a result of a change of circumstance. A new learning agreement and apprenticeship agreement may also be required.
196	The last date of actual learning where the apprentice withdraws without achieving the apprenticeship standard is the date on which the apprentice was taking part in any training or end-point assessment that is part of the standard. Lead providers can only claim funding if the apprentice has started that standard. In other words, lead providers cannot claim funding if the apprentice has not yet started any training that is part of that standard.
207	The employer and lead provider must make sure that the commitment to successful completion of the apprenticeship are set out in writing for the apprentice and that all three parties keep a current signed and dated version of commitment statements on record at all times.
214	The lead provider and employer must agree any subcontracting arrangements, in advance of the start of the apprenticeship. These arrangements must be detailed in the written agreement and each organisation and their role in delivering the apprenticeship set out in the commitment statement.
216	Minutes of governing body/board of directors meetings and written evidence of accounting officer (senior responsible person) sign-off. The strategic aim should reflect the reasons for subcontracting set out in the published fees and charges policy.
217	Curriculum vitae of staff procuring, contracting with and managing subcontractors.
218	Written evidence from the accounting officer confirming that appointed subcontractors are of high quality and low risk.
222	A request to subcontract, including an external audit report from an independent and qualified external auditor, and a copy of approval from the SFA.
223	Written details of anything that could be considered to give rise to a conflict of interests, and a copy of the response from the SFA and the employer.

Paragraph	Evidence requirement
225 to 227	Evidence that the subcontractor is on the Register of Training Organisations and the UK Register of Learning Providers (UKRLP), and their UK Provider Registration Number (UKPRN).
231	By exception, the lead provider may subcontract with the apprentice's employer for some elements of the apprenticeship delivery. This exception is at the discretion of the Skills Funding Agency and may require further conditions. Agreement in writing is required before the apprenticeship commences. This exception must be included as an annex to and referred to in the body of the written agreement and retained as evidence in the apprenticeship evidence pack.
232 to 233.3	Copies of the process you follow and checks you carry out when appointing subcontractors.
235	Copies of your subcontracts with each subcontractor.
236	A contingency plan.
251	A request to second-level subcontract and copy of approval to second-level subcontract.
254 to 255	An up-to-date and fully filled-in Subcontractor Declaration Form.
258	Minutes of governing body/board of directors meetings and written evidence of accounting officer sign-off. Evidence of a published supply-chain fees and charges policy, as set out in these funding rules.
262 to 266	Evidence of funding paid and retained in relation to supply-chain fees and charges, as set out in these funding rules.
275	Evidence of costs for direct grant employer direct delivery where these are counted as part of the employer contribution.

Paragraph	Evidence requirement
3.3	<p>The lead provider must fill in the 'Delivery location postcode' field in the ILR and this must be in England. Where we agree that a standard or English or maths may be delivered elsewhere, providers must first get authorisation from our Central Delivery Service. They must keep this authorisation in the apprenticeship evidence pack for the apprentice. In most cases this will be an email from our Central Delivery Service.</p>

Annex 1 - apprentice eligibility for funding

Introduction

1. You must make sure that learners are eligible to be funded on the day that they start learning. Eligibility is not determined on the day that the learner enrolls. If the learner becomes eligible after they have started a learning aim, we will not fund this learning aim.
2. An individual having the right to live or work in England does not make that person eligible for state funding for education and training. For example, they may have permission to work in England, through a Tier 4 visa (general student), but not to state funding for education or training.
3. Most individuals will be eligible for funding if they
 - 3.1. are a citizen of a country within the European Economic Area (EEA) or other countries determined within the European Economic Area, or have the Right of Abode in the UK. EEA countries are listed within paragraphs 29 to 32
 - 3.2. have been ordinarily resident in the EEA for at least the previous three years on the first day of learning and
 - 3.3. the learning is taking place in England
4. Eligibility of individuals who do not meet the requirements listed in paragraph 157 is discussed below.

Non-EEA citizens

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

Individuals with certain types of immigration status and their family members

6. Any individual with any of the statuses listed below, is eligible to receive funding and are exempt from the three-year residency requirement rule. You must have seen the learner's immigration permission in these circumstances.
 - 6.1. Refugee Status
 - 6.2. Discretionary Leave to Enter
 - 6.3. Discretionary Leave to Remain
 - 6.4. Exceptional Leave to Enter
 - 6.5. Exceptional Leave to Remain

- 6.6. Indefinite Leave to Enter
 - 6.7. Indefinite Leave to Remain
 - 6.8. Humanitarian protection
 - 6.9. Leave Outside the Rules
 - 6.10. The husband, wife, civil partner and child of any of the above in this paragraph. (6.1 – 6.9)
7. The learner'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 a learner's eligibility, which must be decided under the normal eligibility conditions.

Asylum seekers

8. Asylum seekers are eligible to receive funding if:
- 8.1. they have lived in the UK for six months or longer while their claim is being considered by the Home Office, and no decision on their claim has been made, or
 - 8.2. they are in the care of the local authority and are receiving local authority support under section 23C or section 23CA of the Children Act 1989 or section 21 of the National Assistance Act 1948

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

- 8.3. they have appealed against a decision made by the UK government against granting refugee status and no decision has been made within six months of lodging the appeal, or
- 8.4. they are granted support for themselves under section 4 of the Immigration and Asylum Act 1999, or
- 8.5. they are in the care of a local authority and are receiving local authority support for themselves under section 23C or section 23CA of the Children Act 1989, or section 21 of the National Assistance Act 1948

Family members of EU and EEA nationals

9. In the explanations below, the 'principal' is the European Union (EU) or EEA national. The 'family' or 'family member' is the learner, and must be the husband, wife, civil partner, child, grandchild, dependent parent or grandparent of the 'principal'.
10. If a learner, who is a family member of an EEA national, has been ordinarily resident in the EEA for the three years prior to the start of their course, they are eligible for

funding.

11. This table shows the eligibility for family members if:

- 11.1. the family member is now ordinarily resident in England, but has not been ordinarily resident in the EEA for at least the previous three years before the start of learning, and
- 11.2. a principal has been resident within the EEA for the last three years

		Principal ordinarily resident in the EEA for three years		
		EU (including UK) Citizen	Non-EU EEA citizen	Non-EEA citizen
Family member not ordinarily resident in the EEA for three years	EU (including UK) citizen	Eligible	Eligible	Not eligible
	Non-EU EEA citizen	Eligible	Not eligible	Not eligible
	Non-EEA citizen	Eligible	Not eligible	Not eligible

Children of Turkish workers

12. A child of a Turkish worker is eligible if all of the following apply.

- 12.1. The Turkish worker is currently ordinarily resident in the UK
- 12.2. The Turkish worker is, or has been, lawfully employed in the UK, and
- 12.3. The child has been ordinarily resident in the EEA and/or Turkey for the full three-year period before the start of their programme

13. Any learner 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.

14. As such, a learner or relevant family member, is considered to still have the immigration permission that they held when they made their application for an extension, and their eligibility would be based upon this status.

16 to 18 apprenticeships

15. 16- to 18-year-olds are eligible to be funded for an apprenticeship if any of the following clauses apply.

- 15.1. They are accompanying or joining parents who have the Right of Abode, Leave to Enter or Leave to Remain in the UK (or accompanying or joining parents who are EEA nationals)
- 15.2. They are children of diplomats
- 15.3. They are children of teachers coming to the UK on a teacher exchange scheme
- 15.4. They are entering the UK (where not accompanied by their parents) and are British (or EEA) citizens
- 15.5. They have a passport that has been endorsed to show they have the Right of Abode in the United Kingdom
- 15.6. They are an asylum seeker
- 15.7. They are placed in the care of a local authority, or
- 15.8. They meet the requirements for any other eligible category in this Eligibility for funding chapter

Individuals who are not eligible for funding

- 16. Learners not meeting the eligibility criteria set out above are not eligible to receive funding and include:
 - 16.1. those who are resident in the United Kingdom on a Tier 4 (general) student visa. They may however become eligible through meeting any of the other categories in this section
 - 16.2. non-EEA citizens who are in the United Kingdom on holiday, with or without a visa
 - 16.3. those who have overstayed their visa
 - 16.4. non-EEA citizens who are a family member of a person granted a Tier 4 Visa, have been given immigration permission to stay in the UK and have not been ordinarily resident in the UK for the previous three years on the first day of learning
 - 16.5. individuals who are ordinarily resident in the Channel Islands or Isle of Man, unless they are also ordinarily resident within England

Learners who live in Wales, Scotland or Northern Ireland

- 17. Wales, Scotland and Northern Ireland have their own funding arrangements. You must develop arrangements with the relevant administration if you are planning to deliver a significant quantity of learning to non-English residents.

18. We will consider funding an individual or a very small group of individuals who do not live in England, if specialist skills training is not available other than in England and they want to travel to, or live in England to study and learn. You must contact your Central Delivery Service advisor for authorisation before you recruit anyone under the terms described in this clause.
 - 18.1. We will take into account the circumstances of any request, but it is unlikely that we will authorise more than 10 individual starts within a funding year
 - 18.2. You must not actively recruit learners who live and work outside of England
19. For workplace learning, we will fund non-English resident learners (usually those learners living in Wales, Scotland or Northern Ireland) whose main employment and normal place of work is in England.
20. If a UK-based employer, bases their training provision only in England but wishes to include non-English residents, you must ask our Central Delivery Service (CDS) for permission to recruit. It is unlikely that we will authorise a group of more than 10 individual starts within a funding year.
21. You may be able to deliver learning in England to non-English residents who fall within your catchment area, but you must get permission from CDS.

Learners in the armed forces

22. British armed forces personnel may want to continue in education and training while serving their country. We will fund eligible programmes of study for service personnel, Ministry of Defence (MoD) personnel or civil and crown servants, their husbands, wives, civil partners and family members in the following circumstances.
 - 22.1. If the person has a permanent address in other parts of the UK but is on a posting in England or is in England with a member of the service personnel, Ministry of Defence (MoD) personnel or a civil servant
 - 22.2. If the person has a permanent address in England but is posted outside England as part of their work with the armed forces or is with a member of the service personnel, Ministry of Defence (MoD) personnel or a civil servant
 - 22.3. In both of the above cases, this also applies if a learner begins a learning aim or programme in England and is posted elsewhere while enrolled on a learning aim or programme, and also where the person begins a learning aim or programme while posted outside England
 - 22.4. Members of the British armed forces posted outside of the EU remain ordinarily resident in the UK during their time spent outside of the EU. Such time would count towards the three years that they require to have been ordinarily resident within the EU to be eligible. This also applies to the family members of these individuals

22.5. The learner would also be considered eligible if ordinary residence in the EEA or Turkey is required and the learner or relevant family member has been a member of the armed forces of an EEA state or Turkey

23. Individuals of other nationalities serving as members of the armed forces of any country are eligible for the same funding as members of the British armed forces if they meet the criteria in paragraph 22. This includes the funding eligibility described above and their family members living with them on their postings. This does not apply to family members who do not join members of the armed forces and instead stay outside of England.

Learners temporarily outside of England

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

25. For funding purposes, a person is ordinarily resident in a country if they normally live in the country, are 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.

26. There is no legal definition of 'temporary' and therefore no set period of time is defined. However, the longer a learner has been physically absent from the residence area, the harder it will be for them to claim that they were only temporarily absent from that area.

27. If some learning activity means the learner has to travel outside of England, they will continue to receive funding. We will not provide funding to cover the expense of these activities.

Countries or areas where residency establishes eligibility for our funding

28. Member states of the European Union. A list of member states is available on the [EU website](#).

Other territories categorised as being within the European Union

29. Other territories are categorised as being within the European Union for the purposes of the fees regulations; these are:

Cyprus: any Cypriot national living on any part of the island qualifies for EU residency and is considered an EU national

Finland: includes the Aland Islands

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

Germany: includes the former German Democratic Republic and the tax-free port of Heligoland

Portugal: Madeira and the Azores are part of the EU; Macau

Spain: the Balearic Islands, the Canary Islands, Ceuta and Melilla are part of the EU

United Kingdom: Gibraltar is part of the territory of the EU

To note: The Channel Islands and Isle of Man are part of the United Kingdom and Islands but not part of the EU

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

EEA and eligible overseas dependent territories

30. For funding eligibility purposes, this is defined as all member states of the EU and Iceland, Liechtenstein, Switzerland, Norway and all the eligible British overseas territories and EU overseas territories listed in paragraph 32 below.
31. 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.

Eligible overseas territories of other British and EU member states

32. Learners who are nationals of certain British overseas territories and of certain European overseas territories are eligible for funding, depending on the three-year rule on residence in the EEA. These are as follows:

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



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