



Education & Skills
Funding Agency

Financial Assurance: Monitoring the Funding Rules 2016 to 2017

Version 2

This document sets out the details of the monitoring work for providing financial assurance for the 2016 to 2017 funding system.

June 2017

Of interest to colleges, training organisations and employers.

Introduction and purpose of the document

1. As part of assurance work completed by the Education Skills Funding Agency (ESFA), we monitor the data reported to us in the individualised learner record (ILR) and other sources, such as the earnings adjustment statement (EAS), Student Loans Company (SLC) and Learning Records Service (LRS). This desktop review of how the funding system and funding rules are operating allows us to identify possible errors in funding claimed that require further investigation. As part of this process, we also aim to improve the overall quality of the data reported.
2. This document lists the areas that we are monitoring during the 2016 to 2017 funding year. It assures us that provision we buy meets our published funding rules. We have embedded the data monitoring work within our normal business processes which include our assurance, audit, end-of-year payment and reconciliation approaches.
3. We have included a summary of all the relevant rules references and [Provider Support Manual](#) (PSM) guidance in this document. These have been updated since version 1 of this document was published to reflect any changes resulting from the publication of newer versions of these documents in 2016 to 2017. We assume that you (colleges, employers and other organisations delivering training) are familiar with these documents and the relevant terminology.
4. This plan is supported by the suite of monitoring reports available through the BI Tools tab on [the Hub](#). You must review your data either by using the suite of [funding monitoring reports](#) (once you have submitted ILR data) or by using the range of reports in the [Provider data self-assessment toolkit](#) (PDSAT). Guidance on using the reports is available on [gov.uk](#).
5. We have updated this plan to support the launch of the new apprenticeship funding system for new starts from 1 May 2017 (recorded under funding model 36). We indicate which areas of the plan now include starts on the new funding model, and new areas that we have added to the plan. Where reports already exist which are relevant to starts on the new funding model, we will release these updated reports following your R10 data submission. We will publish guidance on using the reports and what action you need to take on [gov.uk](#).
6. You must read this guidance in conjunction with this and any other documents referred to and take the necessary action to ensure data returns and funding claims are correct.

7. For further information on our monitoring work, please refer to:

- [SFA Funding Rules 2016 to 2017](#)
- [ILR Specification, Validation Rules and Appendices 2016 to 2017](#)
- [ILR Guides and Templates for 2016 to 2017](#)
- [Learner Registration Bodies Supporting Guidance](#)
- [Apprenticeship funding and performance management rules 2017 to 2018](#)
- [Apprenticeship technical funding guide for starts from May 2017](#)
- [Guidance for returning apprenticeships on the ILR from 1 May 2017](#)

Key to this plan

8. Please note the following when we refer to particular rules and guidance:

- Funding rules starting with the letters A – F refer to the existing suite of funding rules for 2016 to 2017 that apply to all apprenticeships starting before 1 May 2017. These documents continue to apply to any continuing apprenticeship or any restart after this date (for example, where an apprentice returns from a break in learning or transfers to a new provider).
- Funding rules starting with the letters EP and P refer to the new rules for apprenticeship frameworks and standards that start on or after 1 May 2017.
- ILR refers to the specification of the individualised learner record for 2016 to 2017.
- PSM refers to the provider support manual. This is referenced where there is a specific process you must follow to ensure your data meets requirements.
- GRA refers to the guidance for returning apprenticeships on the ILR from 1 May 2017. This is referenced where there is a specific process you must follow to ensure your data meets requirements.

Monitoring all policy areas (cross cutting areas relevant to multiple funding streams)

No.	Area (all policy areas)	Funding rule(s)	Description	Release notes
1	Learners repeating a learning aim they have already achieved	A31. A36. A86. A89.2. A89.4. A89.7. A89.12. A106. EP36. EP37. EP75.11, EP136.3 P35. P36. P82.11. P156.1. P217.	<p>We will not fund a learner to repeat the same regulated qualification where they have previously achieved it unless it is a requirement of the individual's apprenticeship, or a GCSE where the learner has not achieved grade C, or 4, or higher.</p> <p>You must hold evidence of information on prior learning that affects the learning or the funding of any of the learning aims or programme.</p> <p>If a learner self-declares prior attainment, you must check this in the personal learning record (PLR) and challenge any contradictory information with the learner.</p>	Now includes aims on funding model 36
2	Duplicate learning aims being delivered at 2 or more providers	A30. A49. A63. A64. B6. EP36. EP37. P35. P36.	You or your subcontractors must not claim funding for any part of any learner's learning aim or programme that duplicates provision they have received from any other source.	Now includes aims on funding model 36
3	Continuing learners from 2015 to 2016 who don't appear in the 2016 to 2017 ILR	A101. A102. PSM 146. PSM 147. PSM 153. PSM 375. PSM 381.	<p>The ILR must include aims which are continuing in 2016 to 2017 (Completion status = 1 and Learning actual end date is null). For traineeship and apprenticeship programmes, the ILR must include the programme aim and all the associated component aims, even if some are now closed.</p> <p>If data is found to be incorrect after hard close (R14), then the data should be corrected and continue to be returned in 2016 to 2017. You must report an accurate learning actual end date - do not use 1 August 2016.</p>	No change

No.	Area (all policy areas)	Funding rule(s)	Description	Release notes
4	Use of the 'Other Funding Adjustment' field	ILR p139. PSM 287.	The 'Other funding adjustment' field must only be completed if agreed with us. This field is not to be confused with the 'Funding adjustment for prior learning' field. If no adjustment to the funding of the learning aim is required, then this field must not be returned.	Now includes aims on funding model 36
5	Changes to the 'Actual end date' between years	A101. A103. A104. EP167.4. EP168. EP191. EP192. P187.4. P188. P214. PSM444. GRA117. GRA129.	<p>You must report the 'Learning actual end date' in the ILR for a learner who leaves learning as the last day that they took part in learning.</p> <p>You must not change ILR data after the final return for the year (R14).</p> <p>In the scenario where a learner undertakes an aim, finishes learning, takes the final assessment and fails, then this aim should be closed and recorded as not achieved. Where this learner is then identified as needing further support or additional learning in order to pass the assessment, then a new learning aim should be recorded as a restart with the 'Funding adjustment for prior learning' completed to account for the new learning required to pass the resit.</p>	No change
6	Changes in the 'Learning planned end date' between funding years	A103. A104. PSM 378. PSM 385. PSM 386. PSM 387. PSM 392. PSM 393. P187.4. P214. EP167.4. EP191. GRA129.	<p>You must not update the 'Learning planned end date' once it has been entered, even if the learner continues on the learning aim beyond that date. You must not amend it after the hard close for the previous year (R14)</p> <p>The Learning planned end date must not be changed to take into account a revised planned end date due to a change in circumstances such as illness, slow progress or unemployment.</p>	No change

No.	Area (all policy areas)	Funding rule(s)	Description	Release notes
7	Breaks in learning which exceed 12 months/365 days	A41. A104. PSM 383. PSM 406. PSM 408.	<p>You must not record a break in learning unless you and the learner have agreed this and the learner intends to return to learning at a later point, and there is supporting evidence in the learner file.</p> <p>Learners on a break in learning in 2015 to 2016 who have now withdrawn must be recorded with the completion status of 3 – ‘The learner has withdrawn from the learning activities leading to the learning aim’ and complete the withdrawal reason field.</p>	No change
8	Learners who withdraw from learning on the day they start when planned duration is longer than a day (includes breaks in learning)	A89.9. A97. A98. PSM 403.	<p>You must have evidence that learning is or has taken place (including a work placement, if the learner is taking part in a traineeship) and records are available.</p> <p>Providers are expected to monitor learner absence and implement a robust absence and withdrawal policy to ensure the progress of all learners is monitored.</p> <p>If the learner withdraws without completing one episode of learning, for example without attending the first class, then they must not be included in the ILR.</p>	Now includes aims on funding model 36
9	Learners who fail to achieve when planned duration is one day (includes breaks in learning and withdrawals)	A89.9. A97. A98. PSM 403.	<p>You must have evidence that learning is or has taken place (including a work placement, if the learner is taking part in a traineeship) and records are available.</p> <p>Providers are expected to monitor learner absence and implement a robust absence and withdrawal policy to ensure the progress of all learners is monitored.</p> <p>If the learner withdraws without completing one episode of learning, for example without attending the first class, then they must not be included in the ILR.</p>	Now includes aims on funding model 36

Monitoring Apprenticeships (this includes starts before 1 May 2017 and starts on or after 1 May 2017)

No.	Apprenticeships area	Funding rule(s)	Description	Release notes
10	Learners undertaking English or maths at the same level, or a level below that which they have previously achieved, within apprenticeship frameworks and standards	A31. A86. A89.2. A89.3 A89.4. A89.7. A89.12. A106. C21. C27. EP75.11, EP84. EP90. EP91. EP188.9 P82.11 P100. P105. P105. P211.16	<p>If they already have a Level 1 in either English or maths that meets the minimum requirement of the apprenticeship framework before they start they must start and continue to study Level 2 English or maths.</p> <p>If the learner already has a Level 2 in English and maths that meets the minimum requirement of the apprenticeship framework before they start, then they are exempt from taking English or maths.</p> <p>If the apprenticeship framework specifies Level 2 in English and maths and the apprentice has achieved this before starting, we will not fund further English and maths to achieve their apprenticeship unless you carry out a thorough initial assessment to confirm that the apprentice needs to repeat English or maths to achieve their apprenticeship.</p> <p>You must hold evidence of information on prior learning that affects the learning or the funding of any of the learning aims or programme.</p> <p>For apprenticeships starting on or after 1 May 2017, we will fund apprentices to achieve qualifications in English or maths (or both), if they do not already meet the required standard. English and maths within level 2 and level 3 apprenticeships are funded only where the learner does not already hold acceptable qualifications</p>	Now includes aims on funding model 36
11	Learners undertaking level 1 or below in English and maths within an apprenticeship	A89.3 D45. EP86. EP188.9 P102. P211.16	<p>Includes apprenticeship standards starting before 01 May 2017 and any apprenticeship framework or standard starting on or after that date.</p> <p>The only exception in which an apprentice can start their Level 1 English and/or maths prior to their Level 2 English and/or maths is where the lead provider or its contracted provider has conducted a formal, recognised assessment that demonstrates the apprentice needs to study to Level 1 first to be able to successfully achieve their Level 2. This includes level 2 frameworks from 1 May 2017, where achieving at least level 1 is a requirement.</p>	Now includes aims on funding model 36. This now includes frameworks

No.	Apprenticeships area	Funding rule(s)	Description	Release notes
12	Fully-funded 19+ apprenticeships with no ILR record of eligibility for enhanced apprenticeship funding, and no learning difficulty assessment (LDA) or education, health and care plan (EHC)	C11. C14.	<p>We base funding for an apprenticeship framework on the apprentice's age on the day they start an apprenticeship framework. We will fully fund all apprentices aged 16 to 18 years old and apprentices aged 19 to 24 years old who are subject to an Education, Health and Care Plan (EHC Plan). We will co-fund those aged 19 to 24 without an EHC Plan and those aged 25 and older.</p> <p>We will fully fund 19- to 24-year-old apprentices starting an apprenticeship framework where the apprentice was not able to start an apprenticeship framework before their 19th birthday due to exceptional circumstances, or is a former relevant child (care leaver) as defined by the Children Act 1989.</p>	No change
13	Overlapping programmes being delivered across multiple providers	A30. B6. EP36. EP37. EP54.3. P35. P36. P54.3.	<p>This area includes where the apprenticeship programme overlaps with a traineeship programme.</p> <p>We will only fund a single apprenticeship for an individual at any one time. An apprentice must not progress onto another apprenticeship until they have left their current apprenticeship.</p> <p>If an apprenticeship is an outcome of a traineeship, the traineeship programme must be closed at the point at which the apprenticeship begins (although any English and maths components can remain open). If the learner is already undertaking an apprenticeship at the time of starting a traineeship, they are ineligible to be funded for the traineeship.</p>	Now includes aims on funding model 36
14	Learners repeating an identical programme (no restarts, match framework, programme type and pathway)	A30. A31. A36. A86. A89.2. A89.4. A89.7. A89.12. A106. B4. D60. EP35.2. EP36. EP37. P35. P36. P217.	<p>You must hold evidence of information on prior learning that affects the learning or the funding of any of the learning aims or programme.</p> <p>If a learner self-declares prior attainment, you must check this in the personal learning record (PLR) and challenge any contradictory information with the learner.</p> <p>Apprentices who have successfully completed an apprenticeship at any level are not expected to start a second apprenticeship, either a framework or standard, at the same or a lower level.</p> <p>You must be satisfied that the apprenticeship supports individuals where they are in a new job role or significant new skills are required</p>	Now includes aims on funding model 36

No.	Apprenticeships area	Funding rule(s)	Description	Release notes
15	Learners where the Learning actual end date is after learning planned end date or where the learning aim is not achieved (difference is greater than 300 days)	A89.9. A101. A102. A104. PSM 403. EP64., EP168., EP175., EP181. P187.4. P188. P211.22.	<p>You must have evidence that learning is or has taken place (including a work placement, if the learner is taking part in a traineeship) and records are available.</p> <p>Providers are expected to have robust absence monitoring and an absence and withdrawal policy, which they implement to ensure that the progress of all learners is monitored.</p> <p>You must report the learning actual end date in the ILR for a learner who leaves learning as the last day that they took part in learning.</p>	No change
16	Withdrawals from apprenticeships standards with no refunds	D140. D142. D143.	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.	No change
17	19+ apprentices in learning for less than 12 months with no restart or recognised prior learning in the current year	B23. C7.	For framework starts before 1 May 2017, the only exception to the one-year minimum duration is for apprentices on a framework, aged 19 years or older on the day the apprenticeship starts and where you do not claim the full funding rate for the apprenticeship framework. This applies where the funding of a mandatory learning aim is reduced due to recognised prior learning (RPL) or a mandatory learning aim is not required, as it has previously been achieved.	No change
18	Apprentices who achieve or withdraw from frameworks and start standards in a similar subject area or at the same level	B4. D31. D60.	<p>Apprentices who have successfully completed an apprenticeship (at any level) are not expected to start a second apprenticeship, either a framework or standard, at the same or a lower level.</p> <p>You must be satisfied that the apprenticeship supports individuals where they are in a new job role or significant new skills are required</p> <p>Any reduction in length or content of apprenticeship standards delivery must be reflected within the agreed price for the training and end-point assessment.</p>	No change
19	19+ apprenticeship standards starts claiming the 16 – 18 employer incentive	D82. D131.	Employers employing apprentices aged 19 to 24 and identified as a former relevant child (care leaver) are eligible to claim the additional 16 to 18 employer incentive. You must record these using with EEF4 – ‘Entitlement to extended funding for apprentices aged 19 to 24’	No change

Monitoring the Adult Education Budget

No.	Adult Education Budget area	Funding rule(s)	Description	Release notes
20	Learners who have achieved a full level 2 qualification (or higher) and are fully funded for a further level 2 entitlement aim	E11. E28.	<p>If a learner aged 19- to 23-years-old has achieved a Level 2 qualification that was classed as a full Level 2 at the time they started or still is, then any subsequent Level 2 qualifications must be co-funded. This includes where the learner has achieved any qualification of higher than level 2.</p> <p>The only exception is where the learner is unemployed, as defined in the funding rules.</p>	No change
21	Learners who have achieved a full level 3 qualification (or higher) and are subsequently funded (full or co-) for a further level 3 entitlement aim	E13.	<p>If a learner aged 19- to 23-years-old has achieved a Level 3 qualification, that was classed as a full Level 3 at the time they started or still is, and wants to enrol on any subsequent Level 3 qualification, they will have to either apply for an Advanced Learner Loan or pay for their own learning. This includes where the learner has achieved any qualification of higher than level 3.</p>	No change
22	Learners where the 'Learning actual end date' is after the 'Learning planned end date' or where the learning aim is not achieved (where the difference is greater than 100 days)	A89.9. A101. A104.	<p>You must have evidence that learning is, or has, taken place (including a work placement, if the learner is taking part in a traineeship) and records are available.</p> <p>Providers are expected to monitor learner absence and implement a robust absence and withdrawal policy to ensure the progress of all learners is monitored.</p> <p>You must report the learning actual end date in the ILR for a learner who leaves learning as the last day that they took part in learning.</p>	No change

Monitoring Traineeships

Providers delivering traineeships should also review report 13, where appropriate, to ensure learners are eligible to start a traineeship programme.

No.	Traineeships area	Funding rule(s)	Description	Release notes
23	Learners on a traineeship without work placement	A89.9. E48. E51.	This is a core element of a traineeship programme. You must report the employer's details through the ILR within four weeks of the start date.	No change
24	Learners on a traineeship not following work preparation aims (LARS category reference 2)	A89.9. E48.	This is a core element of a traineeship programme.	No change
25	Trainees who have previously achieved an apprenticeship or traineeship	A31. A36. A86. A89.2. A89.4. A89.7. A89.12. A106. E33.	We will only fund traineeship programmes where the individual has little or no work experience and is focused on employment, an apprenticeship or the prospect of this, and they have been assessed as having the potential to be ready for employment or an apprenticeship within six months. We expect learners who have previously achieved an apprenticeship or traineeship programme to have gained sufficient work experience to enable them to enter and sustain employment.	No change
26	Flexible elements delivered without any core elements of a traineeship	E67.	The flexible content must support at least one core element.	No change

Monitoring Advanced Learner Loans (loans)

No.	Advanced Learner Loans area	Funding rule(s)	Description	Release notes
27	Loans learning not being recorded in ILR	F127. F128.	You must make sure that data reported on the ILR matches the information you have recorded on the SLC's learning provider portal.	No change
28	Loans funding and AEB or apprenticeships funding claimed for the same learning aim	F10. F16.4. F127. F128. EP54.4., EP54.5. P54.4. P54.5.	<p>You must accurately complete all ILR fields for loans-funded learners as required in the ILR Specification, even if they are not used for funding.</p> <p>Where you have an AEB funding agreement with us to deliver a first full Level 3 qualification, a learner must not access a loan for the same qualification delivered at the same time.</p> <p>To use funds in the employer's digital account or government-employer co-investment, the individual must not use a student loan to pay for their apprenticeship</p>	Now includes aims on funding model 36

Monitoring Apprenticeship starts from 01 May 2017

These reports only apply to apprenticeship starts from this date.

No.	Apprenticeship area	Funding rule(s)	Description	Release notes
29	Apprentices who are also being funded for English and/or maths provision in Adult Education budget	P93. P108.	An apprentice must not be funded from the adult education budget for English or maths.	Coming soon
30	Recording co-investment payments	P162. P172. P173. P175.	For non-levy paying employers, and levy paying employers with insufficient funds, employers must co-invest 10% of the agreed training cost up to the maximum value of the funding band.	Coming soon
31	Apprentices withdrawing within 14 days of an additional payment being earned	EP176. P196. ILR p144. GRA156.	<p>It is sufficient for the date held in this field to be accurate to within a week, providing that any approximation does not result in a learner being wrongly included or excluded in the funding calculations.</p> <p>You must have evidence that learning is, or has, taken place on the day any additional payment is earned (on day 90 and day 365), and records are available to support this.</p> <p>The Date applies to for the latest Learning Delivery FAM records with FAM Type = ACT (on the programme aim and any English or maths aims) must be set to the Learning actual end date of the aim</p>	Coming soon
32	Apprentices withdrawing from existing frameworks or standards and restarting in funding model 36.	EP169. P189.	Apprentices who start their programme before 1 May 2017 must not be withdrawn and re-started onto the same apprenticeship, or another apprenticeship at the same level in a similar subject after 1 May 2017 solely to enable them to be funded by the new funding system. If the apprentice was on a break in learning, they can enrol on a new apprenticeship in the new funding system if it is in their best interests.	Coming soon

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