



Education & Skills
Funding Agency

Financial Assurance: Monitoring the Funding Rules 2017 to 2018

Version 1

This document sets out the details of the monitoring work for providing financial assurance for the 2017 to 2018 funding system.

October 2017

Of interest to colleges, training organisations and employers.

Introduction and purpose of the document

1. We, the Education Skills Funding Agency (ESFA), monitor the data reported to us as part of our assurance work. We monitor data from 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 2017 to 2018 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. 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 and the action you need to take is available on [gov.uk](#).

5. You must read this guidance in conjunction with any other documents referred to and take the necessary action to ensure data returns and funding claims are correct; these documents include:

- [Adult education budget funding rules 2017 to 2018](#)
- [Advanced learner loans funding rules 2017 to 2018](#)
- [Apprenticeship funding and performance management rules 2017 to 2018](#)
- [Apprenticeship technical funding guide for starts from May 2017](#)
- [ILR specification, validation rules and appendices 2017 to 2018](#)
- [ILR Guides and Templates for 2017 to 2018](#)
- [Learner Registration Bodies Supporting Guidance](#)

Key to this plan

6. Please note the following when we refer to rules and guidance, rules starting with the letter:

- a. A refers to the [adult education budget funding rules 2017 to 2018](#).
- b. L refers to the [advanced learner loans rules 2017 to 2018](#).
- c. EP and P refer to the [apprenticeship funding and performance management rules 2017 to 2018](#).
- d. ILR refers to the [ILR specification 2017 to 2018](#).
- e. PSM refers to the [provider support manual 2017 to 2018](#) where there is a specific process to 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	Report release notes
1	Learners repeating a learning aim they have already achieved	<p>A62 A68.3 A123.4 A125 A137 L46.3 EP36 EP37 EP75.11 EP136.3 P35 P36 P82.11 P156.1 P217</p>	<p>We will not fund a learner to repeat the same regulated qualification where they have previously achieved it unless it is for any GCSE where the learner has not achieved grade C, or 4, or higher.</p> <p>You must not claim funding or require a learner to take out a loan if the prior learning meets the full requirements of the awarding organisation to achieve the learning aim.</p> <p>The learner file must confirm information on prior learning that affects the learning or the funding of any of the learning aims or programme.</p> <p>You must keep evidence that the learner is eligible for funding. Where the learner is unemployed this must include a record of what you have agreed with them, including the relevance of the learning to their employment prospects and the labour market needs.</p> <p>If a learner self-declares prior attainment, you must check this in the personal learning record (PLR) and query any contradictory information with the learner. The PLR will not necessarily override the learner's self-declaration.</p> <p>You must not use funds from your digital account or government-employer co-investment for any part of any apprentice's programme where either you or another party claim funding from another government department or agency for the same purpose. This includes any funding from the European Social Fund, the Education Funding Agency or Jobcentre Plus for that individual.</p> <p>You must not claim funding for any part of any apprentice's programme that duplicates training or assessment they have received from any other source.</p> <p>You must account for prior learning (you must reduce the content and cost, where the individual has prior learning necessary to achieve the apprenticeship; funds must not be used to pay for skills already attained by the apprentice - you must document how you have assessed the individual's prior learning and include this in the evidence pack.</p>	There is no change from 2016 to 2017

No.	Area (all policy areas)	Funding rule(s)	Description	Report release notes
2	Duplicate learning aims being delivered at 2 or more providers	A61 EP36 EP37 P35 P36	<p>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.</p> <p>You must not use funds from your digital account or government-employer co-investment for any part of any apprentice's programme where either you or another party claim funding from another government department or agency for the same purpose. This includes any funding from the European Social Fund, the Education Funding Agency or Jobcentre Plus for that individual.</p> <p>You must not claim funding for any part of any apprentice's programme that duplicates training or assessment they have received from any other source.</p>	There is no change from 2016 to 2017
3	Continuing learners from 2016 to 2017 who don't appear in the 2017 to 2018 ILR	L107 L108 PSM188 PSM191 PSM192 PSM425	<p>You must accurately complete all ILR fields for loans-funded learners and make ILR returns as required in the ILR specification.</p> <p>You must make sure that data recorded on the ILR matches the information that you have reported to the SLC on the learning provider portal.</p> <p>The ILR must include aims which were recorded in the 2016 to 2017 ILR as continuing in the 2017 to 2018 ILR; these have a Completion status = 1 and the Learning actual end date is null in the 2016 to 2017 ILR.</p> <p>If the learner was reported as continuing, but has been identified as withdrawn after the R14 submission for the previous year, you must continue to report this data. Set the Completion status to code 3 'withdrawn' and complete the Withdrawal reason with the relevant code. Record the Learning actual end date as the last day the learner was in learning (this date will be in the previous ILR year: do not use 1 August 2017).</p>	There is no change from 2016 to 2017
4	Use of the 'Other Funding Adjustment' field	ILR pg124 PSM321 - 326	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.	There is no change from 2016 to 2017

No.	Area (all policy areas)	Funding rule(s)	Description	Report release notes
5	Changes to the 'Actual end date' between years	A123.1 A135 L108 EP167.4 EP168 EP191 EP192 P187.4 P188 P214 PSM424 PSM493 PSM494 PSM687	<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>The ILR must accurately reflect what learning and support (where applicable) has been identified, planned and delivered to eligible individuals. You must not report inaccurate information that would result in an inflated claim for funding.</p> <p>If an aim that was recorded as complete in the 2016 to 2017 R14 ILR file and continues to be returned in 2017 to 2018, then the Learning actual end date must not be changed between the 2016 to 2017 R14 file and the data returned in 2017 to 2018.</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 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> <p>For loans-funded learners, you must make sure that data recorded on the ILR matches the information that you have reported to the SLC on the learning provider portal.</p>	There is no change from 2016 to 2017
6	Changes in the 'Learning planned end date' between funding years	A123.1 A135 L108 PSM100 PSM423 PSM426 PSM431 PSM432 PSM442 PSM445 PSM446 PSM475 PSM565 PSM580 PSM711 P187.4 P214 EP167.4 EP191	<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>The ILR must accurately reflect what learning and support (where applicable) has been identified, planned and delivered to eligible individuals. You must not report inaccurate information that would result in an inflated claim for funding.</p> <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> <p>The learner file must confirm all information reported to us in the ILR, and if it applies, the supporting evidence for the data you report.</p> <p>For loans-funded learners, you must make sure that data recorded on the ILR matches the information that you have reported to the SLC on the learning provider portal.</p>	There is no change from 2016 to 2017

No.	Area (all policy areas)	Funding rule(s)	Description	Report release notes
7	Changes in the 'Learning start date' between funding years	A123.1 A130 A135 L58 L108 PSM423 PSM442 PSM446	<p>The learner file must confirm all information reported to us in the ILR, and if it applies, the supporting evidence for the data you report.</p> <p>You can only claim funding for learning when directly related learning starts. This would not include enrolment, induction, prior assessment, diagnostic testing or similar learning.</p> <p>The ILR must accurately reflect what learning and support (where applicable) has been identified, planned and delivered to eligible individuals. You must not report inaccurate information that would result in an inflated claim for funding.</p> <p>You must not update the 'Learning Start Date' once it has been entered and the qualifying period has passed. You must not amend it after the hard close for the previous year (R14)</p> <p>For loans-funded learners, you must make sure that data recorded on the ILR matches the information that you have reported to the SLC on the learning provider portal. You can only confirm a learner has started their learning after two weeks of attendance. Learners become liable for their loan two weeks after their start date; this is referred to as the 'initial liability point'</p>	New report for 2017 to 2018
8	Learners who withdraw from learning on the day they start when planned duration is longer than a day (includes breaks in learning)	A123.9 L57 L58 PSM188	<p>You must have evidence that learning is taking or has taken place (including a work placement, if the learner is taking part in a traineeship) and records are available.</p> <p>The start date is when activity directly related to the learning has begun. This would not include enrolment, induction, prior assessment, diagnostic testing or similar activity.</p> <p>You can only confirm a learner has started their learning after two weeks of attendance. Learners become liable for their loan two weeks after their start date; this is referred to as the 'initial liability point'</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>	There is no change from 2016 to 2017
9	Learners who fail to achieve when planned duration is one day (includes breaks in learning and withdrawals)	A123.9 A135 PSM188	<p>You must have evidence that learning is taking or has taken place (including a work placement, if the learner is taking part in a traineeship) and records are available.</p> <p>The ILR must accurately reflect what learning and support (where applicable) has been identified, planned and delivered to eligible individuals. You must not report inaccurate information that would result in an inaccurate claim for funding.</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>	There is no change from 2016 to 2017

No.	Area (all policy areas)	Funding rule(s)	Description	Report release notes
10	Breaks in learning which exceed 12 months/365 days	A74 P194 EP174 PSM457-464	<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. The apprentice may take a break in learning where they plan to return and this is agreed with the employer. This could include medical treatment, parental or personal reasons. A short-term absence, such as annual leave, must not be recorded as a break.</p> <p>You must have evidence that the learner agrees to return and continue with the same learning aim, otherwise you must report the learner as withdrawn. If the learner does not return from an agreed break in learning, then the learning aim record(s) must be updated to indicate that the learner has withdrawn.</p>	There is no change from 2016 to 2017
11	Overlapping programmes being delivered across multiple providers (apprenticeships and traineeships)	A61 EP36 EP37 EP54.3 P35 P36 P54.3	<p>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.</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>	There is no change from 2016 to 2017
12	Provision delivered outside England	A60 L24 EP54.6 P54.6 ILR pg121	<p>Where delivery is at more than one location, you must record the postcode of the location at which the majority of learning is delivered. For apprenticeships and traineeships, we also check the employer identifier reported in the ILR and the address at which that employer is registered.</p> <p>You must not claim funding for any provision that is delivered to a learner whose learning is taking place outside England unless we give you permission before learning starts. This includes provision delivered through distance learning to learners outside England.</p> <p>Learners must spend at least 50% of their working hours in England over the duration of the apprenticeship (Wales, Scotland and Northern Ireland have their own funding arrangements. You must develop arrangements with the relevant devolved administration if you are planning to deliver to apprentices who do not spend at least 50% of their working hours in England over the duration of their apprenticeship in England, including time spent on off-the-job training).</p> <p>You must not deliver any loans funded provision outside England, including provision delivered on your premises or on an employer's premises, distance learning or learning where a variety of methods and locations are used, unless we give you permission before an individual's learning starts.</p>	New report for 2017 to 2018

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
13	Apprentices withdrawing within 14 days of an additional payment being earned	EP176 P196 ILR p144	The date held in this field must be accurate to within a week, providing that any approximation does not result in a learner attracting a payment when they were not learning on that day. You must have evidence that learning is, or has, taken place on the day any additional payment is earned (day 90 and day 365), and records are available to support this.	There is no change from 2016 to 2017
14	Small Employer Waiver	EP83 EP188.8 P98 P211.9	Before any apprenticeship starts, you must have evidence that the employer is eligible for waiving the employer contribution. The employer must provide evidence that they employed an average of 49 or fewer employees in the 365 days before the apprentice was recruited.	New report for 2017 to 2018
15	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.	There is no change from 2016 to 2017
16	Recording co-investment payments	P162 P172 P173 P175	For non-levy paying employers, and levy paying employers with insufficient funds in their digital account, employers must co-invest 10% of the agreed training cost up to the maximum value of the funding band.	There is no change from 2016 to 2017
17	Apprentices who are also being funded for English and/or maths provision in Adult Education budget	EP93 P108	An apprentice must not be funded from the adult education budget for English or maths.	There is no change from 2016 to 2017

No.	Apprenticeships area	Funding rule(s)	Description	Release notes
18	Learners repeating an identical programme (no restarts, match framework, programme type and pathway)	EP35-37 EP60 EP194 P35-37 P60 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 to determine their eligibility.</p> <p>We will fund an apprentice to undertake an apprenticeship at the same or lower level than a qualification they already hold, if the apprenticeship will allow the individual to acquire substantive new skills and you can evidence that the content of the training is materially different from any prior qualification or a previous apprenticeship.</p>	There is no change from 2016 to 2017
19	Learners undertaking level 2 or below in English and maths within an apprenticeship when they have already achieved a level 2	EP84 EP86 EP90 EP91 P101 P102 P105 P106	We will only fund apprentices to achieve qualifications in English or maths (or both), if they do not already hold acceptable qualifications and the initial assessment shows the apprentice needs to study at a lower level to achieve their level 2.	Revised report for 2017 to 2018

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	A123.7 A125 A144 A168.1.1 A168.2.2	<p>If a learner aged 19 to 23 has achieved a Level 2 qualification, that was at the time they started, or still is, classed as a full Level 2, then any subsequent Level 2 qualifications will 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>	There is no change from 2016 to 2017
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	A123.7 A125 A148 A168.1.2	If a learner aged 19 to 23 has achieved a Level 3 qualification, that was at the time they started, or still is, classed as a full Level 3, and wants to enrol on any subsequent Level 3 qualification, of any size, 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.	There is no change from 2016 to 2017

Monitoring Traineeships

Providers delivering traineeships should also review report 11, where appropriate, to ensure learners are eligible to start a traineeship programme.

No.	Traineeships area	Funding rule(s)	Description	Release notes
22	Traineeships where the learner is studying a full level 2 or level 3 qualification concurrently	A29 A123.7 A125 A203.4	<p>A recognised outcome of a traineeship is; further learning recognised in the 16 to 19 performance tables (for 19- to 24-year-olds, this includes qualifications as part of the legal entitlement) that a learner self-declares they are studying (a Level 2 or Level 3 qualification at least 150 guided learning hours). Where this occurs, the traineeship will count as being achieved and the programme should end.</p> <p>If a full level 2 or 3 qualification is being delivered as a 'flexible element', the learner must be able to complete the learning in the time available on the programme. If you know a learner is unable to complete a learning aim in the time they have available, they must not be funded.</p>	New report for 2017 to 2018
23	Traineeships where the learner has already achieved a full Level 3	A123.7 A125 A173	Learners are ineligible for traineeships if they have previously achieved a full level 3 qualification	New report for 2017 to 2018
24	Trainees who have previously achieved an apprenticeship or traineeship	A123.7 A125 A17.3 A173.4 A203	<p>We will only fund traineeship programmes where;</p> <ul style="list-style-type: none"> • 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. <p>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 or to have progressed onto further learning which is a level higher than that achieved in the traineeship.</p>	There is no change from 2016 to 2017

Monitoring Advanced Learner Loans (loans)

No.	Advanced Learner Loans area	Funding rule(s)	Description	Release notes
25	Loans learning not being recorded in ILR	L107	You must accurately complete all ILR fields for loans-funded learners and make ILR returns as required in the ILR specification.	There is no change from 2016 to 2017
26	Loans funding and AEB or apprenticeships funding claimed for the same learning aim	A61 EP54.4 EP54.5 P54.4 P54.5	<p>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.</p> <p>Learners must not use a student loan to pay for their apprenticeship (where an individual transfers to an apprenticeship from a full-time further education or higher education course, and this course has been funded by a student loan, this loan must be terminated)</p>	There is no change from 2016 to 2017
27	Loans where the ILR planned duration is longer than the planned duration of the loan	L107 L108	<p>You must accurately complete all ILR fields for loans-funded learners and make ILR returns as required in the ILR specification.</p> <p>You must make sure that data recorded on the ILR matches the information that you have reported to the SLC on the learning provider portal.</p>	New loans report for 2017 to 2018
28	19 – 23 learners and prior attainment	Lp5 (box) L17 L106	<p>The availability of loans at level 3 does not replace the legal entitlement to full funding for eligible learners aged 19 to 23 undertaking their first full level 3 qualification.</p> <p>You must check a learner's legal entitlement to full funding and record that you have done this in the learner file. If they have not exercised their legal entitlement to full funding for a first full level 3, you must make them aware of this entitlement. If a learner chooses to apply for a loan rather than exercising their legal entitlement you must make them aware that this may mean that they give up their right to exercise their legal entitlement in future.</p> <p>If a learner self-declares prior attainment, you must check this in the PLR and challenge any contradictory information with the learner. The PLR will not necessarily override the learner's self-declaration</p>	New loans report for 2017 to 2018
29	Learners reported as withdrawn or on a break in learning where the loan is still reported by SLC as being active	L63	If a learner's details or circumstances change, you must tell the SLC as soon as you are aware as this will reduce the risk of a learner becoming legally responsible for a loan for a qualification they are no longer studying. Learners also have a responsibility to keep the SLC informed of changes to their circumstances.	New loans report for 2017 to 2018

Other areas

These are areas which we will not flag as either errors or potential errors; a Hub report will not be produced. We will monitor these areas using external data sources such as Companies House and Apprenticeship Service data to verify information. We will contact you and employers if we identify any behaviour which indicates a potential funding risk.

No.	Policy area	Description	Specific concern
n/a	Apprenticeships (employer accounts)	We will monitor the legal entities and PAYE schemes recorded in employer's digital accounts to ensure they are legitimately connected. This includes adding training providers to digital accounts when they have no connection to that employer group, and instances where legal entities or PAYE schemes are reported against multiple accounts.	Potential gaming or pooling of levy funds.
n/a	Apprenticeships (employer accounts)	We will monitor whether the employer ID recorded in the ILR matches to a legal entity connected with the digital account where the commitment is recorded.	Potential gaming or pooling of levy funds.
n/a	Earnings Adjustment Statement	We will monitor all claims being recorded in the 'authorised claims' and 'audit adjustment' categories. We will contact you if we do not believe permission has been given to claim this funding.	Incorrect recording of data, funding over claim.
n/a	Fully Funded 19+ apprenticeship frameworks (funding model 35)	We will monitor this as a residual issue.	Incorrect recording of data, funding over claim.
n/a	Undeclared subcontractor UKPRNs	You must declare any sub - contractors who will be delivering provision. They must be on the register of training providers.	Potential breach of contract
n/a	Loans recorded with subcontractor UKPRN	You must directly deliver provision to learners who are funding their provision with a loan. You must not subcontract loans provision.	New loans analysis
n/a	Subcontractor UKPRNs with high volumes of errors	We will monitor for trends and potential compliance risks	Incorrect recording of data, funding over claim.
n/a	Lead providers with issues who also have subcontracted issues	We will monitor for trends and potential compliance risks	Incorrect recording of data, funding over claim.

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