



Skills Funding
Agency

Funding Rules 2013/2014

Version 3

Addendum

February 2014

Of interest to providers

Funding Rules 2013/2014 Version 3 Addendum

Introduction

This document sets out amendments to Funding Rules 2013/2014 Version 3. These amendments form part of the terms and conditions of the funding agreements and the 24+ Advanced Learning Loans Facility Conditions between the Chief Executive of Skills Funding and all providers of education and training who receive funding from the Chief Executive of Skills Funding or a 24+ Advanced Learning Loan (Loan) Facility.

These amendments reflect the announcement made on 10 February 2014 in the [Skills Funding Statement 2013-2016](#) that apprentices aged 24 and over will no longer be required to take out a Loan.

We will apply the changes to the funding rules from 7 March 2014. They apply to all learners who start on or after that date. Please see separate [communications](#) from us about arrangements for apprentices who took out a Loan before 7 March 2014.

In addition, we have also amended the section on Apprenticeship achievement to reflect changes to the [Declaration Form](#), issued by Apprenticeship Certification England in 2014, that must be used from March 2014.

We have identified the amendments by striking through the text that is no longer applicable and underlining text that we have added.

Paragraph	Text
Section 1 – General funding rules for 2013/2014	
Principles of funding	
12	If RPL is used for a qualification within an Apprenticeship framework, funding for the qualification must be discounted by the percentage which is assessed through RPL. In the case of a Loan, the fee charged to the learner must be reduced by the same percentage.

Principles of evidence	
Evidence required	Paragraph 21 – In terms of an Apprenticeship framework (including those funded through a Loan), the last date of actual learning where the apprentice withdraws without achieving the Apprenticeship framework is the date on which the apprentice was taking part in any learning aim that is part of the framework. You can only claim funding if the apprentice has started that learning aim. In other words, you cannot claim funding if the apprentice has not yet started a learning aim that is part of the framework.
Financial contributions	
37	If we fully fund a learner’s programme, you must not make compulsory charges relating to the direct costs of delivering a learning aim. (If you charge an apprentice’s employer, this is up to you. By direct costs we mean administration, registration, assessment, materials or examination costs, whether you have to pay them direct or they are charged by other organisations, such as awarding organisations. It can include charges for identification passes, uniforms, tools and materials where the learner cannot achieve their learning aim without them.) Apprentices cannot be made to contribute financially to the direct cost of learning, unless their Apprenticeship is funded through a Loan.
Section 2 – The Adult Skills Budget including Apprenticeships	
Box	If the learner is 24 or over when they start their learning, and provision is at level 3 or 4, and not part of an advanced-level or higher Apprenticeship, or is an advanced-level or higher Apprenticeship , the provision is not supported by the Adult Skills Budget but may be supported by a Loan. Further details are given in paragraph 324.
Apprenticeships	
Box	Statement on Apprenticeship Quality In 2013/2014, only Apprenticeships which are a job with an accompanying skills development programme, as defined by the Specification for Apprenticeship Standards in England (SASE) and approved by the relevant Issuing Authority will be funded by us or through a 24+ Advanced Learning Loan . It allows the apprentice to gain technical knowledge and real practical experience, along with the personal and functional skills needed for their

	<p>immediate job and future career. The apprentice gains these using a mix of learning in the workplace, formal off-the-job training and the opportunity to practise new skills in a real work environment. This mix differentiates the Apprenticeship experience from training delivered just to meet the precise needs of the job.</p>
Box	<p>Principles</p> <p>This section sets out the principles behind the funding rules that apply to all Apprenticeships that we fund or that are funded through a Loan.</p>
94	<p>Individuals who already have a qualification at level-4 or above are only eligible for funding for a higher Apprenticeship at level 5 or above. They are not eligible for funding for an intermediate-level, advanced-level or level-4 higher Apprenticeship. For advanced-level and higher Apprenticeships where individuals are aged 24 and over when they start their learning, the provision is not supported by the Adult Skills Budget but may be supported by a Loan. Individuals are eligible to apply for a Loan if they have not previously had a Loan for a similar type and level of Apprenticeship.</p>
Access To Apprenticeships	
96.1	<p>To be eligible for the Access to Apprenticeship pathway, the following must apply:</p> <p>The individual must have left full-time compulsory education and be aged 15 to 24 on the day they start. (Individuals aged 24 who want to get an advanced-level Apprenticeship will not be eligible for funding from us. However, these individuals are eligible to apply for a Loan as long as they are not getting their advanced-level Apprenticeship through the Access to Apprenticeships pathway).</p>
Apprenticeship Agreement	
Box	<p>The requirement for an Apprenticeship Agreement between an employer and an apprentice, under the ASCL Act 2009 sections 32 to 36, came into force on 6 April 2012. An Apprenticeship Agreement is needed at the start of the Apprenticeship for all new apprentices (whether funded by us or through a Loan) who start on or after that date, 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 the</p>

	Apprenticeships website
Employment	
Box	Funding or a Loan provided for an Apprenticeship must not be used to pay the apprentice's wages. The funding or Loan is to fund learning
110	You must make sure that wages are paid by the employer, not by you. You must be able to prove that you are not using our funding or the Loan to pay apprentices' wages.
Apprenticeship training agency (ATA)	
114	If you are receiving funding or a Loan , and operate an ATA, you must set this up as a distinct business so that apprentices are contracted employees of the ATA and not you. You must not use funds intended to deliver training to pay apprentices' wages. On the ILR you must record the following to show that the apprentice is employed by an ATA.
Recognition of Prior Learning, exemption on the basis of previously certificated achievement, and duplication	
Box	For apprentices funded through a Loan, providers must make sure the fee reflects the skills provision the apprentice needs.
Minimum length of 19+ Apprenticeships	
129	You must not claim funding or, in the case of provision funded by Loans, charge a fee , for any qualifications or parts of qualifications that are not delivered due to RPL or exemption on the basis of previously certificated achievement.
130	Similarly, you must reduce funding or, in the case of provision funded by Loans, reduce the fee charged , by a proportionate amount for any qualifications that are shortened due to RPL or exemption on the basis of previously certificated achievement. We will not pay you the full amount of funding otherwise available for an Apprenticeship which finishes in less than 12 months.
131.3	You must record in the Learning Agreement how you have adjusted funding or, in the case of apprentices funded through a Loan, adjusted the fee charged , to reflect this previous learning.
131.4	Except for funding provided through a Loan , You must use the funding adjustment for prior learning field of the ILR to reduce the funding claimed for

	that individual.
135	An apprentice aged 19 or over on the start date where the Apprenticeship is planned to last less than six months will not be eligible for funding from us or through a Loan.
Completion and achievement of an Apprenticeship Framework	
137	<p><u>The Apprenticeship framework is considered to be achieved (and can be reported as achieved in the ILR 'Outcome' field) when both the Apprentice and you can confirm that all elements of the Apprenticeship have been completed. This involves signing the declaration form and sending the relevant information to Apprenticeship Certification England (ACE).</u></p> <p>The Apprenticeship framework achievement date (as reported in the ILR) is the date on which both the apprentice and you (if you are claiming on behalf of the apprentice) sign the apprentice declaration and authorisation form. If the apprentice and you sign on different dates, it is the later date that applies. It is only at this point that you can report, in the outcome field of the ILR, that the Apprenticeship programme aim has been achieved (code 1). If the minimum duration of the Apprenticeship has not been completed, you must enter 'no achievement' (code 3) in the outcome field of the ILR.</p>
138	After filling in the apprentice declaration and authorisation form, the apprentice or you (if you are claiming on behalf of the apprentice), or the employer acting on behalf of the apprentice, must apply for an Apprenticeship completion certificate from Apprenticeship Certificate England (ACE).
139	If you, the apprentice or the employer do not apply for an Apprenticeship completion certificate, in the ILR you must not report that the Apprenticeship has been achieved. This applies even if the apprentice has signed the apprentice declaration and authorisation form. If you, the employer or the apprentice do not apply for an Apprenticeship completion certificate, the Apprenticeship cannot be reported as achieved. We are working closely with

	ACE to compare achievements reported in the ILR against the Apprenticeship completion certificates they issue.
140	In the case of apprentices funded by us, if you, the apprentice or the employer do not apply for an Apprenticeship completion certificate, you must not claim the achievement element of the Apprenticeship.
Second Apprenticeships at the same or a lower level	
Box	For apprentices funded by Loans, their first Loan application does not refer to prior learning. However, subsequent Loan applications cannot be for study at the same type and level of qualification or Apprenticeship framework.
Small and medium-sized enterprises (SMEs)	
151	Extra funded units do not apply to provision funded by Loans.
24+ Advanced Learning Loans	
Box	In 'New Challenges, New Chances' it was confirmed that the Government would introduce 24+ Advanced Learning Loans (Loans) from 2013/2014. The reasoning for this is to help people aged 24 or over carry out level 3 or 4 further education (FE) learning aims or advanced-level or higher-level Apprenticeship frameworks and access the funds they need to gain intermediate and higher-level skills.
323	For learners aged 24 or over when they start their learning, from 2013/2014 our funding for provision at level 3 and 4, and for advanced-level or higher Apprenticeships , will end and be replaced with Loans. This does not apply to: <u>323.3 Advanced-level or higher Apprenticeships</u>
Qualifications funded through Loans	
	Loans can be used to fund the following types of publicly funded provision, no matter how the study is carried out (See also note 1 below): Programme of A-levels (including AS, A2 and full A-levels) Quality Assurance Agency (QAA) Access to HE Diplomas Qualifications and Credit Framework (QCF) Certificates at levels 3 and 4

Note 1: Page 9 of The Skills Funding Statement, December 2012, states that for 'For the 2013/14 academic year onwards, funding above level 4 will be available only for higher Apprenticeships at level 5 and 6'.

324.5	Qualifications and Credit Framework (QCF) Diplomas at levels 3 and 4
324.6	Advanced-level Apprenticeship framework Higher Apprenticeship framework (see note 2 below).
Number of Loans	
326	Learners are entitled to up to four Loans, for four learning aims or Apprenticeship frameworks , where each Loan is for a different category of provision as listed in paragraph 324.
327	Learners will take out a Loan for a single learning aim or Apprenticeship framework .
327.1	In the case of AS/A2/A-levels, the learner will make a Loan application for each separate AS/A2/A-level, up to a maximum of four. These applications can be made at the same time or one after the other. A learner can still apply for three more Loans for Apprenticeship frameworks or learning aims that are not AS/A2/A-levels, as long as the provision is taken at different times, as set out within paragraph 330.
330	If at any one time, a learner is taking more than one learning aim or Apprenticeship framework which is eligible for a Loan, the learner is eligible for only one Loan. The learner would need to get other funding for the other learning aim which is eligible for a Loan. The only exception to this is a programme of up to four AS/A2/A-Levels, where the Loans for each AS/A2/A-level are treated as an entitlement to a single Loan.
332	If higher Apprenticeships include qualifications that are eligible for higher education student support, for example foundation degrees, learners will be able to make two separate Loan applications for the further education and higher education elements of their higher Apprenticeship.
Loan amounts and financial contributions	
336.	A learner will only be eligible to receive a Loan that is either equal to, or less than, the lower of the two values (shown below), with a minimum value of £300.
336.1	The funding rate in LARS (for advanced-level Apprenticeships and higher Apprenticeships the Loan available is up to 50% of the rate in LARS to reflect

Note 2: We do not fund 'prescribed higher education' (for example, a Degree or a Higher National) which is eligible for higher education student support.

336.2	<p>expected employer contributions)</p> <p>Your fee, as shown in your 'learning and funding information letter' (see paragraph 339 for further details).</p>
Information needed	
339	<p>If the learner decides to apply for a Loan, you must give them information in the 'learning and funding information letter' to help them make their application. This letter is vital in the application process, as otherwise the learner will not have the relevant information to fill in either the paper or online Loan application. The letter must include:</p> <p>the UK provider reference number (UKPRN)</p> <p>the learning aim reference number</p> <p>the title of the learning aim</p>
339.4	<p>the name and code of the Apprenticeship framework level and pathway</p>
339.5	<p>the learning aim or Apprenticeship framework start date and planned end date</p>
339.7	<p>the fee charged to the learner, and</p>
	<p>the maximum amount of Loan available for the learning aim or Apprenticeship framework as published on LARS.</p>
341	<p>Once the learner's Loan application has been approved and the learner has started the learning aim or Apprenticeship framework, you must confirm this to the SLC through the learning provider portal.</p>
342.1	<p>You can only confirm that the learner has started once the learner has been attending for at least two weeks. This is referred to as the 'initial liability point' and will either be:</p> <ul style="list-style-type: none"> • two weeks from the learning aim or Apprenticeship framework's start date, as shown on the Loan application form, or • two weeks after the learner started their studies, if they started at a later date than the one given on the Loan application form. (In this situation you must tell SLC about the change to the start date through the learning provider portal.)
Payments	
349	<p>The SLC will make Loan payments to you using a flat monthly profile based</p>

	<p>on the initial liability point and the learning aim or Apprenticeship framework end date. So, if a learner takes out a Loan of £900 for a learning aim or Apprenticeship framework that will be delivered over nine months, you will receive nine separate monthly payments of £100 from the SLC.</p>
<p>350</p> <p>350.7</p> <p>350.8</p>	<p>Loans payments can only be made up to a maximum period of time. If the learning aim or Apprenticeship framework end date is later than the maximum period of time for payments, the payments will be scheduled to be paid in full (depending on any change of learner or provider circumstances) during the maximum period of time allowed for that learning aim or Apprenticeship framework. The maximum payment durations are as follows:</p> <p>AS/A2/and A-level(s) – up to two years for each separate A-level</p> <p>QAA Access to HE Diploma – up to two years</p> <p>QCF level 3 Certificate – up to two years</p> <p>QCF level 3 Diploma – up to three years</p> <p>QCF level 4 Certificate – up to two years</p> <p>QCF level 4 Diploma – up to three years</p> <p>Advanced level Apprenticeship – up to three years</p> <p>Higher Apprenticeship – up to three years.</p>
352	<p>Payments are based on the learner’s initial liability point and the end date of the learning aim or Apprenticeship framework. If the end date changes in the first three months of the learner starting the learning aim or Apprenticeship framework, payments will reflect the revised end date. If the change happens after the first three months, payments will stay the same as originally planned. The only exception to this, where the payments will reflect the new end date, will be where a learner takes a break in their learning and returns within 12 months. The three-month rule applies to SLC payment systems, and does not affect the ILR rules for recording planned end dates of learning aims and Apprenticeship frameworks.</p>
359	<p>The SLC will not apply a discount of the rate for an advanced level or higher Apprenticeship if the apprentice is an employee of a large company.</p>

360	The SLC will not apply the 24+ discount for an advanced-level or higher Apprenticeship.
If the learner's circumstances change	
362	All guidance for learners must emphasise the importance of telling the SLC about a change as this will reduce, as far as possible, the risk of a learner becoming legally responsible for a Loan for a learning aim or Apprenticeship framework they are no longer studying.
363.3	<p>The following reasons may result in a learner's details or circumstances changing from the original information supplied in their initial application. In all cases the learner must tell the SLC when there has been a change.</p> <p>A change in personal details</p> <p>A change in provider</p> <p>A change of learning aim or Apprenticeship framework details</p> <p>A change of Loan amount or the fee you charge</p> <p>Cancellation of an application</p>
363.6	<p>Withdrawal from the learning aim or Apprenticeship framework</p> <p>Taking a break from learning or suspending or resuming learning.</p>
364	If the details or fees of the learning aim or the Apprenticeship framework change you must produce another Learning and Funding Information Letter.
365	<p>If a learner changes provider during the learning aim or Apprenticeship framework, they must tell the SLC and be marked as a withdrawal with you.</p> <p>The learner will then need to reapply to the SLC for a Loan to continue their studies at the new provider.</p>
Retrospective applications and changes	
366	<p>A learner can apply for a Loan retrospectively (after the initial liability point but while still undertaking the learning aim or Apprenticeship framework).</p> <p>When a learner applies for a Loan retrospectively, and they have already paid fees to a provider, if the Loan application includes the period a fee had already been paid for, then the provider must refund the learner (in order to avoid double funding).</p>
367	A learner or provider will be able to raise a Change of Circumstance retrospectively. This must be raised while the learner is undertaking their learning aim or Apprenticeship framework.

Annex 1	
Co-funding	
New paragraphs	<u>Learners aged 24 or older</u>
42.17	<u>Individuals on advanced-level Apprenticeships.</u>
42.18	<u>Individuals on higher Apprenticeships at levels 4, 5, and 6 for their non-prescribed HE learning aims.</u>
Employer contributions in workplace learning	
48.2	We co-fund all Apprenticeship frameworks started on or after the apprentice's 19th birthday, unless they are: entitled to enhanced funding; or are aged 24 or over and studying an advanced level or higher Apprenticeship in which case they can apply for a Loan.
Large employers	
52	We will continue to reduce by 25% the funding rate for Apprenticeship provision for those aged 19 and over and other workplace provision delivered to and by large employers. This applies to all learners aged 19 and over including apprentices, and includes those already on these programmes as well as new learners. However, learners who are funding their Apprenticeship with a 24+ Advanced Learning Loan will not have their rate adjusted due to the size of their employer. We define a large employer as one with 1000 employees or more.



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