



Skills Funding
Agency

Funding Rules 2014 to 2015

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March 2014

Of interest to providers and employers

Funding Rules 2014 to 2015: summary of changes

1. We published the [Funding Rules 2014 to 2015](#) Version 1 on 10 March 2014.
2. In order to help providers and employers, we have highlighted the main changes in the table below. You should note that this is not an exhaustive list of all the changes and that you must refer to the main document for the definitive rules which are 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.
3. In 2014 to 2015, the funding rules for the Offenders' Learning and Skills Service (OLASS) which were previously issued as a separate document have been incorporated into the main rules document. This means that we have a single set of rules to cover all of the provision that we fund.
4. Also for 2014 to 2015, we have removed all specific funding rates and formula information from the rules document. These will now be issued in our [funding rates and formula](#) document.
5. We have continued to respond to feedback from the sector. This includes:
 - clarifying language, streamlining and removing duplication
 - moving all specific requirements around European Social Fund (ESF) match funding to the front Principles of Funding section of the document as those rules relate to everything we fund.
 - moving the detail of the Learning Agreement from Annex 1 into the Principles of Evidence section to reflect the importance of this document in providing most of the evidence requirements
 - a white front cover rather than a coloured one for printing purposes
6. We are continuing work with employers to make future improvements so that it is easier for employers to work with the skills system.
7. It is important to us that the document clearly states what you must do to be funded. If you think the document does not achieve this, please feedback your comments to the [Funding Systems Team](#) by 31 March 2014.
8. We will then use this information in a version 2 that we will publish later in the spring.

Summary of main changes since Funding Rules 2013/2014

Section	Change	Paragraph Number
Principles of Funding	Clarification about who the rules apply to in terms of new and continuing learners.	1
	Definition of age eligibility updated to include Traineeships.	3
	Clarification of specific requirements around ESF match funding and rules for providers that have activity being used as match funding for ESF.	21 to 26
Principles of Evidence	Learning Agreement section updated to include assessment of learners participating in a Traineeship that they will be ready to move onto an Apprenticeship or employment within 6 months	36.3
	Records of attendance confirming that a learner is still taking part in learning updated to include evidence of attendance and participation in a work placement if a learner is taking part in a Traineeship.	36.8
	Retention and achievement – clarification that no evidence of activity taking place is required if the learner achieves unless the aim is non-regulated, but that evidence must still be provided that the learner was in learning.	46
Financial Contributions	New rule for providers who are offering qualifications that would be eligible for grant funding or funding through a Loan, but are offering them on a 'full-cost' basis; providers must tell the learner about this and explain that other providers may offer alternative funding routes.	50
The Adult Skills Budget including Apprenticeships		
Early years educator training	New rule about Early Years Educator learning aims – learners must have	64

	already achieved GCSE A* - C in English and maths before being eligible for funding.	
Non-regulated provision	New section about non-regulated provision and rules around the use of this – only 2 categories are eligible for funding; provision for learners with learning difficulties or disabilities as part of a personalised learning programme where there is no appropriate vocational or non-vocational regulated qualification available or provision for English for Speakers of Other Languages (ESOL) where there is no appropriate regulated qualification available.	65 to 67
Using the innovation code	New rule about checking for a regulated qualification before using the Code.	69
	Clarification around not using the Code for anything that would not be eligible for funding once accredited.	71
English and maths	Updated to reflect that progression to GCSE grade A* - C is the 'gold standard'. Providers should note the suite of fully funded learning aims defined as English and maths including those that help with progressing to GCSE are set out in the Annex. Updated to include reference to iGCSEs.	80 to 84
ESOL	Providers must not enrol learners on qualifications or units which are not necessary for progression to GCSE English.	85
Prince's Trust Team Programme	Updated to reflect that all other costs outside of the Award or Certificate must be claimed using the Earnings Adjustment Statement.	87.2
Job Outcome Payments	Updated to include details of job outcome	

	<p>payments for learners who are on a Traineeship.</p> <p>Clarification of how to claim a job outcome payment including the relevant ILR fields.</p>	88 to 92
State Aid	Section Removed.	N/A
Using the Adult Skills Budget for offenders in Public Prisons	Rules strengthened to say that Adult Skills Budget can only be used in exceptional circumstances.	93
	You must get written agreement from the OLASS Governance Board for that prison for the exceptional use of Adult Skills Budget funding.	94
Using the Adult Skills Budget for offenders in Private Prisons	Section streamlined and strengthened to say that prisons must make best use of Ministry of Justice funding before using other sources of public funding including the Adult Skills Budget.	96
Apprenticeships	All references to Apprenticeships and Loans have been removed/updated to reflect that Apprenticeships at level 3 and above are now eligible for grant funding.	Various
	Statement on Apprenticeship Quality textbox updated to reflect Apprenticeships being designed by employers in the sector and link to new Quality Statement.	
	Access to Apprenticeships – section removed as these are no longer funded.	N/A
	Apprenticeship duration and minimum length, transfers between providers and breaks in learning – whole section has been streamlined to add clarity and remove duplication.	129 to 133
	Completion and achievement of an Apprenticeship Framework – whole section has been streamlined to add	134 to 135

	clarity and remove duplication.	
	English and maths - new rules to reflect Skills Funding Statement 2013-2016 requirements. For all apprentices who start their intermediate-level Apprenticeship on or after 1 August 2014, the apprentice must take level-2 English and maths during their intermediate-level Apprenticeship if they already had a level 1 in either English or maths (or both) before they started their Apprenticeship.	136 to 139
	Enhanced Funding – updated to reflect new arrangements; removal of specific examples, and a new requirement for evidence from an authoritative source setting out the reasons why the learner has not been able to enter learning before their 19 th birthday.	143 to 145
Traineeships	Clarification on inspection grades and what happens to those who drop to a Grade 3 in 2013 to 2014 and 2014 to 2015 in relation to Traineeships.	146
	Updated to reflect policy change on age extended to 19- to 24-year-olds.	158.1
	New rule about learners released on temporary licence (ROTL) only being eligible for a Traineeship if the OLASS provision at that prison has been inspected as 'Outstanding' or 'Good'.	162
	Clarification that work placement is based on planned hours for 19- to 24-year-olds.	179
	ILR section has been streamlined to refer to ILR Specification.	194 to 195
European Social Fund	Eligibility – clarification around asylum seekers' eligibility.	226
	Clarification of evidence – it can be	244

	physical or electronic.	
	Clarification about keeping all participation data until 2022.	246
	European Structural and Investment Funds for 2014 to 2020 – paragraph about updating the funding rules for the new programme when the operational guidance is available.	289
Community Learning	Update on rules about delivering regulated provision as part of Community Learning. Regulated provision must be part of your agreed Community Learning Strategy and be used flexibly to fund provision that you could not deliver through the Adult Skills Budget.	292 to 293
	Data and claims returns – section streamlined and updated to reflect that all providers in receipt of direct Community Learning funding must fill in a funding claim showing how they have spent their funding.	294 to 295
OLASS	New section – OLASS rules now incorporated into main document.	298 to 329
Discretionary Learner Support	New rule that providers must make it clear to learners that they must advise benefit agencies of any DLS support they are receiving as this may impact on their benefit eligibility.	333.3
	New rule re DLS not being used for those on Community Learning.	333.5
	Learner Support in Apprenticeships section updated to explain the arrangements for claiming learner support for apprentices.	341 to 343
24+ Advanced Learning Loans	All references to Apprenticeships and Loans have been removed/updated to	

	reflect that Apprenticeships at level 3 and above will now be grant funded.	
	New rule on what must be done if a learner has applied for a Loan for a learning aim that is no longer available for public funding for new starts before a learner starts their learning.	348
	Clarification that learners aged 23 at the start of a Level 3 or Level 4 learning aim will continue to be funded by us and must not be given the opportunity to apply for a Loan for co-funded fees.	360
24+ Advanced Learning Loans Bursary Fund	New rule that providers must make it clear to learners that they must advise benefit agencies of any support they are receiving as this may impact on their benefit eligibility.	409
Contracting and subcontracting	Clarification that employers receiving direct-grant funding from us can choose to publish their sub-contracting data on the actual level of funding paid and retained for each of their subcontractors either online or send it to their employer account manager.	455
Annex 1	Specific reference to those individuals who are not eligible for funding.	6
	References to Traineeships added to rules on eligibility for full funding	46
	Reference added to Security Industry Qualifications and commitment to funding the licence application fee being in place before the training starts	Note 16
	New rule - the provider must be satisfied that the learning is directly relevant both to the individual's employment prospects and the needs of the local labour market – added to discretionary full funding for the	46.9, 46.19

	unemployed in receipt of any state benefit paragraph.	
	New rule - ex-armed forces learners are eligible for full funding for their first full level 2.	46.11
	Reference added about reviewing trade union learning aims.	Notes 18 and 19

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