



Skills Funding
Agency

Trailblazer Apprenticeships Funding Rules 2014 to 2015 Version 2:

Summary of Changes since Version 1

March 2015

Of interest to employers and providers delivering apprenticeship standards

1. We published the [Trailblazer apprenticeships funding rules 2014 to 2015](#) Version 1 in November 2014.
2. We have issued this summary document in response to feedback from employers and providers. As a result, we have:
 - clarified language and removed duplication
 - clarified that, for the purposes of this document, three months is equal to 90 days and 12 months is equal to 365 days
 - provided further information on apprenticeship assessment
 - revised information about value added tax (VAT)
3. 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 between the Chief Executive of Skills Funding and all providers of education and training who receive funding from the Chief Executive of Skills Funding.

**Summary of main changes since Trailblazer apprenticeships funding rules
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Section	Change	Paragraph Number
Understanding the terminology	Clarification about the term 'lead provider' to include group training associations.	11
	Clarification about the term 'provider' to also include 'lead providers'.	12
Both government and employers must contribute towards an apprenticeship	Clarification that the agreed price for training and assessment must only include the training and assessment necessary to meet the relevant standard.	27
	Clarification about the term 'co-payment'.	30
	Clarification that funding caps apply to all apprentices, regardless of their age.	31
	Clarification that the 'in-house' element of training and/or assessment must not be included in the agreed price for the training and assessment of the standard which is reported in the ILR.	32
Employers will receive additional incentive payments where they meet specific eligibility criteria	Clarification that employers can only receive each eligible incentive once for each apprentice, for each apprenticeship.	38
	New rules about the claim form needed by employers to claim incentives through lead providers, including lead provider responsibilities.	39 and 40
	New rule stating that lead providers must inform us if they have been unable to pass on	41

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	any incentive payment after 40 working days of receipt.	
All employers must appoint a lead provider	New rule stating that we expect employers to make prompt employer contribution payments to their lead provider for the training and assessment they have received in accordance with the written agreement.	46
	Clarification that there is no prescribed format for the payment schedule. 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.	47
	Clarification about the relationship between core government contributions and employer contribution payments.	48
Eligibility for apprenticeship standard funding	Clarification that 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.	73
	Clarification that employers must confirm that it is the intention at the start of the apprenticeship, that any apprentice, of any age, must be able to complete the apprenticeship within the time that they have available.	77

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	Clarification that if we find that the apprentice 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 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.	79
Small employer incentive	Link to EC website removed from paragraph.	85
	Clarification that 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).	86
16- to 18-year-old apprentice incentive	Clarification that 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.	88
Completion incentive payment	Confirmation that work is continuing to develop the arrangements for apprenticeship assessment and completion in conjunction with employers, providers and assessment organisations. Further advice about eligibility requirements for the completion incentive payment will follow when arrangements have been finalised.	89
What is eligible for funding in a	New rule stating that only training directly leading to the completion of an apprenticeship is eligible for core government contribution.	94

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Trailblazer apprenticeship?	The cost of all other training and development undertaken which does not directly lead to the completion of the apprenticeship must be met by the employer.	
Use of co-payment funding	New rule stating that re-takes for qualifications or assessment required by the apprenticeship standard (these are eligible only where extra learning must take place prior to the re-take); if necessary a new price can be agreed between 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 assessment for the relevant funding cap, no further government contributions will be made and the employer will need to meet these additional costs directly.	98.8
	Clarification that the co-payment funding for apprenticeship standards is intended to support the direct costs of delivering learning and assessment. 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 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.	99
	Clarification that employers are responsible for funding re-sits for qualifications or assessment required by the apprenticeship standard where no extra learning takes place before the re-sit.	100.5
	Clarification that employers are responsible for funding specific services not related to the delivery and administration of the	100.8

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	<p>apprenticeship; this includes bespoke or additional training or assessment which is not a requirement of the standard.</p>	
	<p>Clarification that 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.</p>	103
Who can deliver apprenticeship standard training and assessment?	<p>New rule stating that all independent assessment organisations must be listed on the Register of Assessment Organisations. We anticipate that the Register of Assessment Organisations will be launched by the end of March 2015.</p>	110
Apprenticeship assessment	<p>New section on apprenticeship assessment.</p>	117 to 125
Agreeing a price for the delivery of the apprenticeship training and assessment	<p>New rule stating that 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.</p>	137
Value added tax	<p>Revised information about value added tax (VAT).</p>	138 to 142
Employer incentive payments	<p>Clarification that incentive payments are made at set points, counted from the programme start date as recorded on the ILR.</p>	151

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Funding for English and maths	Clarification that government will cover the full cost of 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.	154
	Clarification that 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.	157
Learning support conditions	Updated to include link to guidance about earnings adjustment statement.	170
State Aid	Clarification that we consider 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 2014 to 2015.	179
Core government contribution and employer contribution payments	Clarification that employer co-payment does not need to be paid in full at the start of the apprenticeship. This will be paid according to the payment schedule agreed with the lead provider over the duration of the apprenticeship and can include any combination of dates and values over the life of the apprenticeship.	182
Incentive payments	New rule stating that 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	183

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	<p>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.</p>	
	<p>New rule stating that lead providers must provide employers with an employer incentive claim form to enable them to claim any eligible employer incentive, including the information needed for the claim form.</p> <p>Lead providers must retain claim forms received from employers for audit purposes.</p>	184 to 185
Recovery of funds	<p>New rule stating that providers must ensure that they have suitable robust systems and procedures in place which guard against fraudulent activity.</p>	188
	<p>New rule emphasising that such systems 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.</p>	189
What to do when there is a change of circumstances during apprenticeship delivery	<p>Clarification that a new or revised written agreement (including price and eligibility declaration), learning agreement and/or apprenticeship agreement may also be needed. Lead providers must ensure that these are in place if required.</p>	195
	<p>New rule stating that an apprentice break in learning may affect the timing of employer incentive payments.</p>	196
Alternative completion conditions	<p>Clarification that alternative completion conditions can only be applied to an apprenticeship where we have given our approval for such conditions to apply. When</p>	204 and 205

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	applied, alternative completion conditions will mean that apprentices do not need to be employed to complete the apprenticeship.	
Direct grant employers directly delivering all or part of their training	Clarification that evidenced costs for direct delivery 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 assessment.	254 and 257
Additional rules for recognised apprenticeship training agencies (ATAs)	Clarification that ATAs will need to agree a price and payment schedule for training and assessment with a lead provider. This information must be recorded in a written agreement.	272
Additional incentive payments	New rules stating that ATAs must submit an additional employer incentive claim form to the lead provider to claim the incentive payments at the set points for their eligible host employers. The lead provider can only pass on incentive payments once they have received the additional employer incentive claim form from the ATA. Both the lead provider and ATA must retain evidence of the additional employer incentive claim forms and receipts of payment for each incentive payment.	279, 280 and 283
Principles of evidence	New rule stating that 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.	287
The main principles of providing evidence	Clarification that lead providers must hold evidence that the apprentice is eligible for funding, the employer is eligible for any incentive payments and that lead providers must also hold evidence of a written agreement with the employer.	291.2, 291.3 and 291.4

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	New rule stating that lead providers must retain employer incentive claim forms submitted by employers.	292
	Confirmation that further advice on the evidence requirements for the employer incentive payment for completion of the apprenticeship will follow when arrangements have been finalised.	293.2
Learning agreement	Clarification that the learning agreement relating to funding must confirm 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.	303.5
Additional evidence	New requirement for evidence of any repayments made by an employer or provider. Suitable evidence could include financial system reports or other payment processing information.	187 and 199



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