



Skills Funding  
Agency

# Apprenticeships: common funding rules

For the 2016 to 2017 funding year (1 August 2016 to 31 July 2017).

## Version 1

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Of interest to providers and employers.

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## Introduction

Apprenticeships are a job with an accompanying skills development programme, designed by employers. Apprentices gain the technical knowledge, practical experience and wider skills they need for their immediate job and future career. The apprentice gains this through a wide mix of learning in the workplace, formal off-the-job training and the opportunity to practise new skills in a real work environment. This wide mix differentiates apprenticeships from training delivered to meet narrowly-focused needs.

- B1. This document sets out the common funding rules for all apprenticeships. You should read it with other relevant funding rules documents. These include the following.
- The Skills Funding Agency: common funding rules
  - Apprenticeship framework funding rules.
  - Apprenticeship standards funding rules.
- B2. These are the funding rules for all apprenticeship frameworks and standards, including those delivered by higher education institutions. We will use the generic term apprenticeship for all types of apprenticeship, unless we state otherwise.
- B3. Apprentices must be an employee on the first day of their apprenticeship and be paid at least a wage consistent with the law for both the time they are in work and in off-the-job learning. You can find information on the definition of an employee on [GOV.UK](#) and information on the national minimum wage on [GOV.UK](#). The lead provider must retain evidence of the apprentice's employment.
- B4. To receive funding for an apprenticeship you must:
- B4.1. be satisfied that this is the most appropriate learning programme and it is
    - B4.1.1. a new job role, or
    - B4.1.2. an existing job role, where the individual needs significant new knowledge and skills
  - B4.2. make sure the job allows the apprentice to gain the wider employment experience as part of the apprenticeship
  - B4.3. advertise new apprenticeship vacancies on [Find an apprenticeship](#), except where they are an existing employee
  - B4.4. close the advert once the vacancy has been filled
- B5. You must not ask an apprentice to contribute financially to the direct cost of learning. If providers charge an apprentice's employer, this is up to them. In

an apprenticeship standard, the provider must charge the employer for a contribution towards the cost of the apprenticeship.

### **Starting an apprenticeship**

- B6. For each apprentice, we will only fund a single apprenticeship at any one time. An apprentice must not progress onto another apprenticeship until they have completed or achieved and left their current apprenticeship.
- B7. An apprenticeship is a full-time programme. You must not claim funding where either you or another party claim funding from another government department or an agency, such as the Education Funding Agency or Department for Work and Pensions, for that individual.
- B8. We will not fund an apprenticeship delivered only by distance learning. You can include online and other blended learning activity as part of the delivery of an apprenticeship.
- B9. If an apprentice becomes self-employed during the apprenticeship, this will make their apprenticeship and funding ineligible at that point unless the apprenticeship framework falls within the alternative completion conditions. [The Apprenticeships \(Alternative English Completion Conditions\) Regulations 2012](#) and [The Apprenticeships \(Alternative English Completion Conditions\) \(Amendment\) Regulations 2013](#)
- B10. You must not use our funding to pay apprentices' wages.

### **Learner file and the evidence pack**

- B11. The learner file, described in the common funding rules, is the generic term that the SFA uses for evidence. Where we use this term in relation to apprenticeship standards you must also refer to the evidence pack as detailed in the specific apprenticeship standards rules. The evidence pack has additional requirements.

### **Apprenticeship agreement**

- B12. There must be evidence that an apprentice has an [apprenticeship agreement](#) at the start and throughout their apprenticeship, between the employer and apprentice as defined in the [Apprenticeships, Skills, Children and Learning Act 2009](#) (unless the apprenticeship framework is covered by the alternative completion conditions).
- B13. The apprenticeship agreement can be a written statement of particulars under the [Employment Rights Act 1996](#). Alternatively, it can be a contract of employment or a letter of engagement, where the employer's duty under the 1996 Act is treated as met.

## **Apprenticeship training agency (ATA)**

- B14. An ATA must follow our ATA framework. You can find information on ATAs on [GOV.UK](https://www.gov.uk).
- B15. You must not employ apprentices solely to deliver an apprenticeship, unless employment is through a recognised apprenticeship training agency (ATA).
- B16. An ATA, an organisation whose main business is employing apprentices who are made available to employers for a fee, must:
  - B16.1. set up as a distinct legal entity so that apprentices can have employment contracts with the ATA
  - B16.2. report that the apprentice is employed by an ATA in the Individual Learning Record (ILR)
- B17. Group training associations that offer an ATA service to employers must follow ATA-specific rules.

## **Employment hours**

- B18. You must:
  - B18.1 make sure that apprentices are employed for at least 30 hours a week
  - B18.2 record the agreed average weekly hours including study hours in the learner file
  - B18.3 ensure the apprentice spends a large proportion of their apprenticeship developing the skills of their job
  - B18.4 ensure the employer provides the apprentice with paid time to attend off-the-job training, including additional support for English and maths, or support accessed for learning difficulties and/or disabilities
  - B18.5 only train apprentices who work part-time for fewer than 30 hours a week, by exception, due to personal situations or because of the industry or job role. In these instances:
    - B18.5.1 the apprentice must work for at least 16 hours a week
    - B18.5.2 you must record the agreed average number of hours each week
    - B18.5.3 you must evidence why this is required
    - B18.5.4 you must meet the minimum apprenticeship duration rule

- B18.5.5 you must make it clear in an advert for a vacancy on [Find an apprenticeship](#) if the apprenticeship is for fewer than 30 hours a week
- B18.5.6 Zero-hour contracts will only be accepted if there is a contract of employment that meets the funding rules in the paragraph above.
- B19. The employer must recognise that the apprentice must complete the apprenticeship within their working hours.
- B20. An apprentice must still meet the minimum employment hours if they work irregular working hours or are on a zero-hour contract. For an apprentice in these circumstances you must use a four-week rolling average to make sure they meet the employment hours funding rule. If the four-week rolling average falls below 16 hours, then the apprenticeship must be put on hold until the working hours increase to 16 or greater.
- B21. The planned length of the apprenticeship and average working-hour pattern must be clear when you advertise a vacancy on the [Find an apprenticeship](#) website.
- B22. If the number of part-time apprenticeships is large and you fail to evidence the exceptional reasons why, we will remove funding from you as part of the performance-management process.

## **Apprenticeship duration**

- B23. The minimum duration of an apprenticeship is one year, unless:
- B23.1. the framework or standards specifications or assessment plans require it to be longer, or
  - B23.2. the apprentice is aged 19 or older, is following a framework and funding is reduced because of prior learning or achievement
- B24. Where the minimum duration is one year, the apprentice must be in learning on the anniversary of the date they started the apprenticeship.
- B25. If the minimum duration has not been met, you must not claim an Apprenticeship Framework Completion Certificate from Apprenticeship Certificates England. (Not applicable to apprenticeship standards.)
- B26. You must make sure that, the apprentice is involved in active learning or monitored workplace practice, throughout an apprenticeship. The apprentice can, after achieving all mandatory qualifications in a framework, stay in learning until they meet the minimum duration and embed the skills they have gained. You must have evidence that the apprentice continues in learning.

- B27. If the apprentice works part-time for fewer than 30 hours a week you must extend the minimum duration to take account of the shorter working time. For example, if the apprentice only works 20 hours a week, you must extend the end date by 50% – so, the apprentice must be in learning for at least 18 months. This would also apply where the working hours of an apprentice temporarily fall below 30 hours a week.

### **Transfers and breaks in learning and minimum duration**

- B28. When an apprentice transfers between providers or returns after a break in learning:

B28.1 You must have evidence that the total amount of time spent on their apprenticeship meets the minimum duration funding rule for the continued apprenticeship.

B28.1 If they start a new apprenticeship standard, framework or pathway, previous durations do not apply to meeting the minimum duration requirements.

### **English and maths**

- B29. Frameworks and standards have specific funding rules on the delivery and achievement of English and maths, which you can find in the frameworks funding rules and the standards funding rules.

### **Second apprenticeships at the same or a lower level**

- B30. If an apprentice starts a new job in a different occupation, we will fund them to do an apprenticeship at the same level as previously achieved.
- B31. We will fund another apprenticeship framework at the same or lower level if the apprentice needs to be multi-skilled for their occupation and if the learning is materially different to the apprenticeship they achieved previously. You must have evidence that the repeat or lower-level apprenticeship framework is supporting the apprentice in an extended job role.
- B32. We will not fund another apprenticeship standard at a lower level than already achieved.

## Apprenticeship learning support

- B33. We will provide learning support for apprentices to help with learning that affects their ability to continue and complete their apprenticeship.
- B34. This must not be used to deal with everyday difficulties that are not directly associated with an apprenticeship.
- B35. You must:
- B35.1. carry out a thorough assessment to identify the support the apprentice needs
  - B35.2. agree and record the outcome of your assessment in the learner file
  - B35.3. deliver support to meet the apprentice's identified needs, and review progress and continuing needs, as appropriate
  - B35.4. record all outcomes in the learner file and keep evidence of the assessment of the needs
  - B35.5. report in the ILR that an apprentice has a learning support need associated with an identified learning aim
- B36. Learning support is earned at a fixed monthly rate, the same in both frameworks and standards, which should be enough to cover your costs. If the support cost exceeds that earned from the fixed monthly rate, and you provide evidence of this, you can claim excess learning support using the Earnings Adjustment Statement (EAS). You can find further information on the EAS [here](#).
- B37. You can claim learning support as long as the learner needs support for the learning aim up to the learning actual end date.
- B38. You must promptly claim for learning support from your apprenticeship budget through the ILR and the EAS. We will not pay you for claims from a previous funding year if you do not claim on time.
- B39. The maximum value of learning support each year claimed through the monthly rate and excess learning support claimed through the EAS is £19,000. If learning support costs for an apprentice exceeds this maximum, we will need to authorise you to claim exceptional learning support.





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