



Skills Funding
Agency

Draft apprenticeships performance management rules 2017 to 2018

October 2016

Of interest to providers delivering apprenticeships to non-levy paying employers.

Apprenticeships common performance management rules for providers delivering apprenticeships to non-levy paying employers

1. The following rules apply to all providers delivering apprenticeships to non-levy paying employers. The term 'providers' in this document means providers and employer-providers delivering apprenticeships to non-levy paying employers, unless we state otherwise.
2. The rules apply to all apprentices starting new apprenticeship programmes on or after 1 May 2017 with non-levy paying employers. This includes apprenticeship frameworks and standards and those delivered by higher education institutions. We will use the generic term 'apprenticeship' for all types of apprenticeships with non-levy paying employers, unless we state otherwise.
3. Any apprenticeship which started before 1 May 2017 will continue to follow the rules in the documents below:
 - [Skills Funding Agency: common funding and performance management rules 2016 to 2017 version 3](#)
 - [Apprenticeships: common funding and performance management rules 2016 to 2017 version 3](#)
 - [Apprenticeship frameworks funding and AGE performance management rules 2016 to 2017 version 3](#)
 - [Apprenticeship standards funding rules 2016 to 2017 version 2](#)
 - [Apprenticeship funding rules for higher education institutions 2016 to 2017 version 1](#)

Apprenticeships payments and performance

4. These rules apply to the period May 2017 to July 2018. This spans two financial years:
 - May 2017 to March 2018 (period 10 of the 2016 to 2017 funding year to period 8 of the 2017 to 2018 funding year)
 - April 2018 to July 2018 (periods 9 to 12 of the 2017 to 2018 funding year)

5. Your contract will identify your contract value for new starts (as agreed through the procurement exercise). It will state the maximum amount of apprenticeship provision you can deliver to non-levy paying employers for:
 - 16-to-18 apprenticeships from May 2017 to July 2018
 - adult apprenticeships from May 2017 to July 2018
6. You must fund the delivery of both apprenticeship frameworks and apprenticeship standards from your existing apprenticeship contract value. This includes any additional incentive payments that you must pass to employers. You must also fund the delivery of English and maths.
7. You must provide learning support to learners from your existing contract value.

16-to-18 apprenticeships and adult apprenticeships for all providers

8. You cannot use 16-18 apprenticeship funding to deliver 16-18 traineeships.
9. We will pay you on the basis of your actual delivery each month up to your contract value for the financial year. We will calculate the value of your actual delivery using the latest validated ILR and EAS data you provide.
10. We will not make an automatic payment for delivery over your contract value.
11. We will measure your performance against a standard national profile (see annex A) at set performance-management points. The performance-management point timetable is set out in table 1 of annex B.
12. We will reduce your apprenticeship contract value where your performance against the standard national profile for the period in question is outside our published tolerance levels. The tolerance levels that we will apply at the performance-management points are set out in table 1 of annex B.

13. The reduction in your apprenticeship contract value will reflect some or all of the value of the under-delivery to date. We will not change this approach unless there are exceptional circumstances.
14. We will apply the reduction unless:
- your historic delivery pattern is significantly different to the standard national profile (including where this is a result of your delivery of apprenticeship standards)
 - you demonstrate that you were impacted by data issues that were outside of your control
 - it is less than £25,000
15. We reserve the right to increase or decrease the number of performance management points we operate, in line with delivery against the apprenticeship budget.
16. We will review delivery against the apprenticeship budget. We may adjust your contract value if there is a risk that demand for apprenticeships may exceed the national budget.

ANNEX A – STANDARD NATIONAL PROFILES

The following tables set out a 15 month profile from May 2017 (P10 of the 2016 to 2017 funding year) to July 2018 (P12 of the 2017 to 2018 funding year).

Table 1. 16 to 18 apprenticeships

	2016 TO 2017 FUNDING YEAR			2017 TO 2018 FUNDING YEAR											
	P10	P11	P12	P1	P2	P3	P4	P5	P6	P7	P8	P9	P10	P11	P12
	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July
16 to 18 apprenticeships monthly profile	0%	1%	1%	3%	5%	7%	8%	14%	8%	8%	6%	9%	10%	10%	11%
16 to 18 apprenticeships cumulative profile	0%	1%	2%	5%	10%	16%	24%	38%	47%	54%	61%	69%	79%	89%	100%

Table 2. Adult apprenticeships

	2016 TO 2017 FUNDING YEAR			2016 TO 2017 FUNDING YEAR											
	P10	P11	P12	P1	P2	P3	P4	P5	P6	P7	P8	P9	P10	P11	P12
	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July
Adult apprenticeships monthly profile	1%	2%	3%	4%	5%	6%	7%	7%	7%	8%	9%	9%	10%	11%	12%
Adult apprenticeships cumulative profile	1%	3%	5%	9%	14%	20%	27%	34%	41%	49%	58%	67%	78%	88%	100%

ANNEX B – PERFORMANCE-MANAGEMENT POINTS

Table 1. Apprenticeships performance-management points, tolerances and minimum thresholds

	Performance-management point 1	Performance-management point 2
Delivery information using the latest validated ILR data you provide	6 October 2017	6 April 2018
Tolerance for under-delivery	10%	5%
Lower threshold for contract value adjustments	£25,000	£25,000
Cases for reducing contract values reviewed by	10 November 2017	11 May 2018
Decision to approve or reject reductions	w/c 20 November 2017	w/c 21 May 2018
Providers told the outcome of our performance-management process from	w/c 27 November	w/c 28 May 2018



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