



Skills Funding  
Agency

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# Apprenticeship frameworks funding and AGE performance-management rules

for the 2016 to 2017 funding year (1 August 2016 to 30 April 2017)

## Version 4

Note: New apprenticeship starts from May 2017 will be subject to different funding rules.

January 2017

Of interest to providers and employers

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## Apprenticeship frameworks

- C1. This document sets out the additional funding rules for apprenticeship frameworks. You must read it together with other relevant funding rule documents. These include:
- [Skills Funding Agency: common funding and performance-management rules](#)
  - [Apprenticeship common funding and performance-management rules](#)

## Quality

- C2. The apprentice must be able to undertake confidently the full breadth of duties to the level set by the industry in which they work, and in the range of circumstances appropriate to the job once they have completed the apprenticeship. For more information, please read the [Statement on Apprenticeship Quality](#) on GOV.UK.

## Eligibility rules for apprentices on apprenticeship frameworks

- C3. All apprentices on a framework must be an employee, unless the apprentice is in an occupation listed in the alternative completion condition regulations (please refer to rule C5 below).
- C4. The regulations also include alternative completion conditions where an apprentice is made redundant and is within six months of finishing their apprenticeship. This allows the apprentice to complete and achieve their apprenticeship framework without further employment.
- C5. You can find details of the alternative completion condition for apprentices made redundant and the list of exempt occupational areas in in [The Apprenticeships \(Alternative English Completion Conditions\) Regulations 2012](#) and [The Apprenticeships \(Alternative English Completion Conditions\) \(Amendment\) Regulations 2013](#).
- C6. For the advanced-level apprenticeship in sporting excellence (AASE), those specific sports that are designated through the alternative completion conditions, you must:
- C6.1. have an endorsement for each AASE apprentice that the relevant national governing body (NGB) has identified the apprentice as having the potential to compete at games level and is included in the number

of AASE apprenticeships agreed between the NGB and us for the funding year

- C6.2. hold this evidence of endorsement in the learner file; if you do not have an endorsement the individual is not eligible to be funded

### **Apprenticeship duration**

- C7. The only exception to the one-year minimum duration is for apprentices on a framework, aged 19 years or older on the day the apprenticeship starts and where you do not claim the full funding rate for the apprenticeship framework. In this instance the minimum length of the apprenticeship is six months. This must be either because:
  - C7.1. the funding of a mandatory learning aim is reduced due to recognised prior learning (RPL)
  - C7.2. or a mandatory learning aim is not required, as it has previously been achieved
- C8. The exception applies only to funded regulated qualifications as required by the Specification for [Apprenticeships Standards in England \(SASE\) framework](#) document.
- C9. You must not reduce the funding of any regulated qualifications without evidence of prior learning to allow a duration of less than one year for an apprenticeship.

### **What is eligible to be funded?**

- C10. We will only fund a learning aim listed in the apprenticeship framework as mandatory.
- C11. We base funding for an apprenticeship framework on the apprentice's age on the day they start an apprenticeship framework. We will fully fund all apprentices aged 16 to 18 years old and apprentices aged 19 to 24 years old who are subject to an Education, Health and Care Plan (EHC Plan). We will co-fund those aged 19 to 24 without an EHC Plan and those aged 25 and older.
- C12. Apprenticeship funding supports individuals to progress to higher levels of learning. 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.
- C13. If an apprentice leaves without achieving, the last date of learning for all learning aims, including the apprenticeship programme learning aim, is the

date you have evidence the apprentice was still in learning for any learning aim that is part of their apprenticeship.

## **Extending the funding for apprentices aged 19 to 24**

- C14. There are two circumstances when we will fully fund 19- to 24-year-old apprentices starting an apprenticeship framework. This is where the apprentice was:
- C14.1. not able to start an apprenticeship framework before their 19th birthday due to exceptional circumstances, including being in custody or having a serious illness
  - C14.2. a former relevant child (care leaver) as defined by the Children Act 1989
  - C14.3. a child in care is defined by the Children Act 1989 as an:
    - C14.4. eligible child - a young person who is 16 or 17 and who has been looked after by the local authority/Health and Social Care Trust for at least a period of 13 weeks since the age of 14, and who is still looked after
    - C14.5. relevant child - a young person who is 16 or 17 who has left care after their 16th birthday and before leaving care was an eligible child
    - C14.6. former relevant child - a young person who is aged between 18 and 21 (25 if in education or training) who, before turning 18 was either an eligible or a relevant child, or both
- C15. To evidence a care leaver you need a self-declaration from the apprentice.
- C16. For an apprentice not able to start an apprenticeship framework before their 19th birthday due to exceptional circumstances you must:
- C16.1. have evidence to demonstrate these exceptional circumstances with supporting evidence from an authoritative source, such as a local authority or probation service
  - C16.2. not claim full funding if, since leaving full-time compulsory education and the start date of their apprenticeship framework they have:
    - C16.2.1. not been living in England or
    - C16.2.2. have been in education or training funded by the SFA, Education Funding Agency (EFA), predecessor organisations or other government body, excluding any learning whilst in custody

## Employer statement

- C17. You must give each employer a statement setting out the financial value of the government's financial contribution to training their apprentices. You must provide this at the start of the apprenticeship framework and at the beginning of each funding year. We expect the format to be 'over the next funding year, Her Majesty's Government (HMG) will contribute £\*\*\* to [insert employee's name] apprenticeship training'. The employer may need this information for State Aid purposes.

## English and maths

- C18. You must follow the requirements for English and maths as set out in the apprenticeship framework.
- C19. The rules below apply to all intermediate-level apprentices who start frameworks on or after 1 August 2014.
- C20. The funding rules apply equally to English and maths.
- C21. If they already have a Level 2 in English and maths that meets the minimum requirement of the apprenticeship framework before they start then they are exempt from taking English or maths.
- C21.1. If they already have a Level 1 in either English or maths that meets the minimum requirement of the apprenticeship framework before they start they must start and continue to study Level-2 English or maths.
- C21.2. If they do not have the Level 1 in English or maths that meets the minimum requirement of the apprenticeship framework before they start they must:
- C21.2.1. be offered the opportunity to take Level 2 functional skills or GCSE qualifications in English or maths
  - C21.2.2. achieve the English and maths requirements set in the framework
  - C21.2.3. If they achieve Level 1 in English or maths during their apprenticeship, you must offer them Level 2 Functional Skills or GCSE qualifications in English or maths.
- C22. You must record the offer of Level 2 in English or maths during an apprenticeship in the learner file, and have evidence where the apprentice declines to take up the offer.

- C23. If the apprentice studies at Level 2 in English or maths where they already have qualifications that meet the requirements of the apprenticeship framework, they do not need to achieve these before framework achievement can be claimed.
- C24. You must report all English and maths delivered as part of an apprenticeship as an apprenticeship learning aim in the Individualised Learner Record (ILR).
- C25. If you claim funding for Level 1 in English or maths, you cannot claim funding for Level 2 in English or maths unless Level 1 has been achieved.
- C26. You must not claim funding for Level 1 in English and maths if the mandatory English and maths requirement of the apprenticeship framework is at Level 2.
- C27. If the apprenticeship framework specifies Level 2 in English and maths and the apprentice has achieved this before starting, we will not fund further English and maths to achieve their apprenticeship unless you:
- C27.1. carry out a thorough initial assessment to confirm that the apprentice needs to repeat English or maths to achieve their apprenticeship
  - C27.2. use this assessment to structure a programme of study for English and maths learning
  - C27.3. only enrol apprentices on qualifications listed in the framework document and necessary to achieve their apprenticeship
  - C27.4. deliver ongoing assessment
  - C27.5. record all of the assessment outcomes in the learner file
  - C27.6. use current assessment tools based on the National Literacy and Numeracy Standards and core curriculum. The tools must:
    - C27.6.1. place an apprentice's current skills levels within the Regulated Qualifications Framework levels
    - C27.6.2. be conducted by qualified individuals including, for the diagnostic assessment, a practitioner who will structure the learner's programme of study

### **Completion and achievement of an apprenticeship framework**

- C28. You must have the outcome of all learning aims before you can ask the apprentice to confirm achievement. This includes that the apprentice has achieved all mandatory elements and they have been in learning for at least the minimum duration of the framework.

- C29. You must apply for the apprenticeship completion certificate from Apprenticeship Certificates England within three months of completion of learning.
- C30. You must pass on all apprenticeship completion certificates to the apprentice.

### **Apprenticeship learner support**

- C31. We will support apprentices that need help where there are circumstances, such as redundancy, where the apprentice suffers hardship that affects their ability to continue and complete their apprenticeship.
- C32. If there is genuine hardship that could be an obstacle to the learner during their apprenticeship, you can claim learner support to help them.
- C33. We expect that employers will support apprentices for their additional expenses. However, you are permitted to do so if the apprentice is in genuine need (for example, in the case of redundancy and temporary unemployment).

You must promptly claim for learner support from your apprenticeship budget through the Earnings Adjustment Statement. We will not pay you for claims from a previous funding year if you do not claim on time.

### **Advanced apprenticeships in Sporting Excellence (AASE)**

- C34. We and the EFA will continue to support students and apprentices on an advanced-level apprenticeship in Sporting Excellence if they are also engaged in other full- or part-time funded studies. This includes those who are described in the EFA's Funding Regulations as being on a full-time study programme (that is, more than 540 timetabled hours a year). This clarification does not apply to any other apprenticeship framework.

### **Apprenticeship Grant for Employers for 16- to 24- year-olds (AGE)**

- C35. AGE can only be claimed for an employer with fewer than 50 employees who would not otherwise be in a position to do so, to recruit an apprentice aged 16 to 24 at the start of their apprenticeship, into employment through an approved apprenticeship framework. Employers who hold a Conditions of Funding (Grant) – employer funding agreement with us for apprenticeships cannot have an AGE funding agreement and cannot claim AGE.
- C36. An eligible employer can claim a maximum of five AGE grants in total, subject to eligibility.



- C37. These funding rules must be read together with the latest AGE 16 to 24 Employer Fact Sheet which details the terms and conditions of the Grant; your AGE 16 to 24 Provider Funding Agreement; and the technical guidance note which you can access on [GOV.UK](#).
- C38. The employer must not have started an apprentice (of any age or at any level) in the previous 12 months prior to the start date of the first apprentice claiming the AGE.
- C39. You can only offer AGE if you have a signed AGE 16 to 24 Provider Funding Agreement. You must not offer AGE to an employer if this would result in your commitments to employers exceeding your agreed contract value.
- C40. AGE is not available for apprenticeship standards. You can find guidance on incentives for employers for apprenticeship standards [Apprenticeships standards funding rules 2016 to 2017](#) on GOV.UK.
- C41. AGE is available for eligible apprentices who started their apprenticeship on or before 31 July 2017, subject to affordability.
- C42. We have set out the operational performance-management rules for AGE later in this document.

### **Employer eligibility**

- C43. You must check that an employer is eligible before applying for the grant. You must provide the employer with a copy of the latest AGE 16 to 24 employer fact sheet and ensure they understand the criteria.
- C44. You must correctly complete the requirements in the AGE 16 to 24 Employer Declaration and ensure the employer understands the timetable to process an eligible claim and for the payment to be received. You can find [more information about AGE](#) on GOV.UK.
- C45. Check your own ILR records to confirm that they have not accessed apprenticeship funding with you in the last 12 months.
- C46. Check that the Employer Reference Number (ERN) used in the Individualised Learner Record (ILR) relates to the correct legal entity employing the apprentice and that the record confirms that their recorded total aggregate workforce, is fewer than 50.
- C46.1. Ensure that the employer is aware that if they, or any other branches or divisions in their business, have accessed apprenticeship programme funding for any employers undertaking training with them in the last 12 months, they will not be eligible for the AGE Grant.

- C46.2. Ensure that the employer is aware that payment timing is dependent on a timely and correctly completed record by you, and that this will take at least eight weeks after the 13-week eligibility trigger for this to be processed by the SFA and paid by you.
- C47. Public sector organisations who meet the eligibility criteria can apply for the Grant. For the purposes of the Grant, the number of employees for schools and doctors' surgeries is based on the site, not the local authority.
- C48. In specific circumstances, certain franchises that employ fewer than 50 employees (as recorded on EDS) are eligible to claim the grant.

### **Qualifying apprentices**

- C49. To be eligible, learners must:
- C49.1. be aged between 16 to 24 years old at the start of their apprenticeship
  - C49.2. be living in England
  - C49.3. not be taking part in full-time education (at the same time as the apprenticeship programme)
  - C49.4. start on a SFA-approved apprenticeship framework before their 25<sup>th</sup> birthday
  - C49.5. not be an existing employee but a new recruit with the employer
  - C49.6. still be employed with the employer making the claim at the date of the 13-week qualifying period from the 'in learning' start date as recorded on the ILR record
- C50. An eligible employer can claim for an existing part-time employee (contracted to work fewer than 20 hours a week) with a new full-time apprenticeship job role which must be a minimum of 30 hours a week.
- C51. Where the apprentice is subject to a break in learning the employer may still be eligible for an AGE grant where the apprentice has been correctly coded on the ILR. Please refer to technical guidance note hosted on [GOV.UK](https://www.gov.uk) on how to process apprentices who have a break in learning.
- C52. Where an eligible employer is recruiting a 16- to 24-year-old who started their apprenticeship with another employer, they may be potentially eligible for the Grant. The employer must commit to employ the apprentice for a minimum of 12 months or the duration of the apprenticeship, whichever is the greater. The

learner's ILR must be updated to record the new employer's Employer Reference Number (ERN).

C53. You must:

- C53.1. help employers check their eligibility and to understand their commitment when applying for the Grant; advising employers of eligibility and the reasons why
- C53.2. clarify the process of applying for the grant, including timescales for when employers will receive payment
- C53.3. check against the data available to ensure the claim is accurate and successfully processed
- C53.4. submit applications on behalf of eligible employers through the Individualised Learner Record (ILR); ensuring that the ILR is correctly coded, including the correct Employer Reference Number (ERN) for the employer and the current Learning Delivery Monitoring (LDM) Code for AGE
- C53.5. record the AGE LDM on the ILR at the earliest opportunity; you should submit an ILR record for the apprentice with the correct AGE LDM codes as part of this next available data return and before the 13-week qualifying period
- C53.6. obtain and retain eligibility evidence
- C53.7. investigate and resolve employer complaints and issuing relating to AGE claims
- C53.8. co-operate and supply information to the Skills Funding Agency where a complaint has not been resolved to the satisfaction of the complainant and has been escalated to the SFA in accordance with your AGE 16 to 24 Provider Funding Agreement
- C53.9. make payments to eligible employers no later than 30 days after receipt of funding from the Skills Funding Agency

## **Devolution**

- C54. Employers who recruit apprentices in areas where the AGE 16 to 24 budget has been devolved are not eligible for an AGE grant funded by the SFA. Your Provider Funding Agreement includes further information on when a devolution agreement is agreed and the impact this will have on your contract value.

- C55. You must signpost employers to the devolved area where the AGE budget is managed locally through devolution. You can access an up-to-date list of areas where AGE is managed locally and how to contact them on GOV.UK.
- C56. You must include the correct Learning Delivery Monitoring (LDM) Code on the Individualised Learner Record (ILR) to identify that the employer is claiming a grant. You should also use the same code for apprentices where their employer's postcode falls within a devolved area's footprint. You can find further guidance on valid LDM codes and recording AGE learners in the published on GOV.UK.

### **Application process and evidence requirements**

- C57. You must verify apprentice and employer eligibility for the AGE grant at the start of the discussion with employers' AGE 16 to 24 and retain any evidence you collect to demonstrate this.
- C58. You and the employer must complete and sign the [AGE 16 to 24 Employer Declaration](#) (you can access this on GOV.UK.) as soon as possible but always before the 13-week period is reached. You must provide a copy of the signed declaration with the employer once completed and signed by both parties.
- C59. You must refer to the technical guidance note for details on how to process your AGE claim and comply with the Performance Management Rules when delivering AGE.

### **Recovery of funds**

- C60. If you identify the employer or apprentice as ineligible before the 13-week qualifying period you must update the ILR record and contact the employer to make them aware of the change.
- C61. Where your ILR submission makes an employer ineligible, we will recover the funds. You must update the ILR record at the earliest opportunity.

### **Apprenticeship training agency (ATAs) requirements**

- C62. ATAs that have successfully completed the ATA recognition process and are on the National Register of Approved ATAs are able to offer the Grant to eligible 'host employers' committing to support the apprentice for a minimum of 12 months or the time they take to completed their apprenticeship programme, whichever is the greater.
- C63. Recognised ATAs will work with the training organisation network to claim the Grant on behalf of the 'host employer' (as ATAs will not be administrating Grants on behalf of the employer). The entire £1,500 should be passed to the 'host employer' by the training organisation.

- C64. ATAs and the training organisation must not hold back or top-slice any element of the £1,500, directly or indirectly. Grant payments cannot be split between host employers.
- C65. You must use the version of the Employer Declaration which is specifically for eligible host employers who are applying through an ATA.

## **Payments and performance management**

- C66. You must read this section alongside the apprenticeships funding and performance-management rules for [2016 to 2017](#) and [2017 to 2018](#).
- C67. These rules apply to new starts until the end of April 2017. New rules will be published in 2017 to cover new starts from May 2017 to July 2017.
- C68. We will take your performance from January to April 2017 into account when agreeing allocations for May to July 2017.

## **Apprenticeship Grant for Employers**

- C69. Your AGE allocation is the total value of grants available for you to support employers recruiting 16- to 18-year-old apprentices and 19- to 24-year-old apprentices. Your funding agreement will state the maximum values you can claim for AGE separately for 16- to 18-year-olds and 19- to 24-year-olds. It will also state the first and last date for eligible apprenticeship starts. You cannot vire funds between the two age groups.
- C70. We will pay you on the basis of your actual delivery each month for eligible apprentices who have passed their 13-week qualifying period. We will work out the value of your actual delivery using the latest validated ILR data you provide.
- C71. We will only pay you up to the maximum value of your AGE allocation for each age group. You must not commit funding to employers if your commitment is greater than your AGE allocation for the relevant age group(s). If your delivery is likely to exceed your AGE allocation for either age group, you must request an increase to your AGE allocation.
- C72. In May 2017, we will measure the performance of your AGE contract value. The AGE performance-management timetable is set out in Table 1 of Annex A.
- C73. We will reduce your contract value if your performance in May 2017 is outside the tolerance. The tolerance levels we will apply are set out in Table 2 of Annex A.

- C74. We will reduce your AGE allocation contract value by the value of the under-delivery to date for the relevant age group(s). We will not change this approach unless:
- C74.1. You demonstrate you were impacted by data issues outside of your control.
  - C74.2. It is less than our minimum threshold for reductions. The minimum thresholds we will apply at the AGE performance-management point are set out in Table 2 of Annex A.
- C75. You can request an increase to your AGE allocation if you need one. Where you do not meet our criteria for increasing your 16 to 18 apprenticeships or adult apprenticeships contract value (see paragraphs C78 to C78.4), you must only use AGE to recruit apprentices within your existing funding allocation.
- C76. You can ask for an increase to your AGE allocation by sending an [AGE change request form](#) to [providerAGEfacilitymanagement@sfa.bis.gov.uk](mailto:providerAGEfacilitymanagement@sfa.bis.gov.uk). The form will be available from 24 February 2017. The last date you can request an increase is 27 April 2017. We may ask you for more information to support your request.
- C77. You can use the [AGE change request form](#) to request an AGE allocation if you do not have one and you have a Financial Memorandum or Conditions of Funding (Grant) or Contract for Services for 16 to 18 or adult apprenticeships. The last date you can request an AGE allocation for the first time is 12 April 2017. You must provide a business case to justify your request.
- C78. We will increase your current AGE allocation for the age group(s) that you request if funds are available and if:
- C78.1. Your latest ILR return shows that your actual and pipeline delivery is 75% or greater of your allocation for that age group. Actual delivery means apprentices for whom we have paid your AGE claim already. Pipeline delivery means apprentices who you have recorded as eligible for AGE but who have not yet completed the 13-week qualifying period.
  - C78.2. You have a good track record.
  - C78.3. You are not under Notice for Failure of Financial Control.
  - C78.4. We are confident that awarding an increase to your funding allocation is a good use of public funds.

C79. We will only increase your AGE allocation for an age group by the maximum value shown below.

<b>Your current AGE delivery</b>	<b>Maximum increase</b>
From £0 to £15,000	£6,000
From £16,500 to £201,000	50% of your current AGE delivery rounded up to the nearest £1,500
From £201,000 or greater	£100,500

C78. We reserve the right to change your facility if you do not meet the track record criteria in the performance management rules.

## Annex A – Performance-management point

Table 1	AGE performance-management minimum thresholds and timetable
Table 2	Apprenticeships and traineeships performance-management point tolerances

**Table 1: Apprenticeship Grant for Employers performance-management minimum threshold and timetable**

	Performance-management point (May 2017)
Lower threshold for contract value adjustments	£10,500
Delivery information using the latest validated ILR data you provide	5 May 2017
Decision to approve reductions	w/c 15 May 2017
Providers told the outcome of our performance-management process from	w/c 22 May 2017

**Table 2: Apprenticeship Grant for Employers performance-management tolerances**

		Performance-management point (May 2017)
Providers with a Financial Memorandum or Conditions of Funding (Grant) or Conditions of Funding (Grant - Employer) for apprenticeships	16 to 18	8%
	19 to 24	15%
Providers with a Contract for Services for apprenticeships	16 to 18	8%
	19 to 24	8%







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