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Education & Skills
Funding Agency

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1. Hub corner

Information

In R08 we processed 6,072 files from 1,414 providers. Over 620 providers submitted their first R08 file within the final 4 days of the R08 collection window, 113 of these submitted their first R08 file on the final day.

1,015 ILR files were submitted on the last day of the collection window, which is over 16% of the total files submitted during the entire collection window.

2. Individualised learner record (ILR): R09

Action

The ILR R09 data collection for the 2017 to 2018 funding year is now open and will close at 6pm on Friday 4th May. As always, we recommend that you submit your data as early as possible and that you review your validation and funding reports that are made available to you on the hub.

If you need to submit an earnings adjustment statement (EAS) and you do not have access to this on the data returns tab in the hub, please email our [service desk](#) or call us on 0370 267 0001 to request this.

3. ILR specification for 2018 to 2019: version 2

Information

We have now published the second version of [ILR specification for 2018 to 2019](#).

4. Qualification achievement rates updated in find apprenticeship training

Information

We have updated the qualification achievement rates in [find apprenticeship training](#) with the 2016 to 2017 data from the [national achievement rate](#) tables.

Find apprenticeship training shows the achievement rate for the relevant tier 2 sector subject area for each apprenticeship.

5. Transferring apprenticeship service funds to another employer

Information

From May employers who pay the apprenticeship levy will have the option to fund apprentices in another organisation by making a transfer. Transfers are being introduced to give levy-paying employers more flexibility in how they spend their apprenticeship service funds and will help larger employers to support smaller employers in taking on apprentices.

For the first phase, employers can transfer up to 10% of their annual funds to one other employer to pay for apprenticeships.

Key information

- levy-paying employers who use the apprenticeship service can now see their transfer allowance in their account
- they will be able to make a transfer to one other organisation from May
- the receiving organisation will be able to start adding apprentices from May
- for these new apprenticeships, training providers can then be paid from June

- the apprenticeships will need to be approved by the sending employer before payments are made
- funds will be transferred monthly for the duration of the apprenticeship
- a new transfers estimator tool is available to help employers plan the apprenticeships they could fund with a transfer

We've also updated the [apprenticeship funding rules for 2017 to 2018](#), which now include the rules for making and receiving transfers.

For more details please view a [3-minute video](#), [GOV.UK web page](#) and a [blog on transfers](#). We are making additional support materials available for employers on our [YouTube channel 'using the apprenticeship service'](#).

Please share these resources with employers so that they are made aware of transfers and how to prepare for them.

If you have any queries please email our [service desk](#) or call us on 0370 267 0001.

6. Apps monthly report - reporting update

Information

We resolved recent issues with the apps monthly payment report on Friday 20 April and released reports with a statement on the hub and [FE connect](#).

Some training providers have raised queries and we are following these up with individuals where necessary. We will use this feedback to improve future reporting.

Individual providers that want to speak to us should email our [service desk](#) or call us on 0370 267 0001.

At R09 (the next reporting period) we will provide the apps monthly payment report in the same format as at R08.

Based on user needs we will also provide 2 new reports:

- additional payments (incentives) report - this shows what providers need to pay to employers and will help with remittance read across
- summary report - this shows year to date totals based on actual payments produced at period end and is similar to the reports providers receive after each ILR submission but includes accurate payment details

For R10, we aim to review the apps monthly payment report based on user feedback. We welcome user feedback and will continue to work with providers on our reporting.

7. Funding rules monitoring

Information

As part of our assurance work, we monitor the data reported through the individualised learner record (ILR)

and the apprenticeship service. This helps us to review how the funding system and funding rules are operating, and improve the overall quality of data being reported to us.

As part of our [monitoring plan for 2017 to 2018](#), we investigate the legal entities and PAYE schemes recorded in employer accounts to ensure they are legitimately connected, and that we can link any apprentices to the companies connected to those accounts

National insurance numbers

As stated in the [provider funding rules](#):

- P65. Where you are using funds from an employer's apprenticeship service account you must have confirmation from the employer that the apprentice is employed by that employer or a connected company or charity as defined by HMRC. This also applies where the apprentice is funded by a transfer of funds from another employer.
- P92. You can only use funds in the employer's apprenticeship service account to pay for apprenticeship training and assessment for apprentices employed by that employer or a connected company or charity.

As stated in the [ILR specification 2017 to 2018](#), you must ensure you record the National Insurance Number (NINO) accurately. There are instances of generic NINOs recorded on the ILR across the national apprenticeship programme. You must not use a generic NINO under any circumstances; if you have used generic NINOs, you must update these with the correct NINO immediately.

If you are also the employer for some apprentices, please check that the PAYE scheme is included in the apprenticeship service account (that is funding the apprentice).

If you are not the employer, please can you remind the employer that they must ensure that the correct PAYE schemes are included in their accounts as stated in the [rules and guidance for employers](#)

- E156. We will monitor accounts to check that PAYE schemes are properly used. If we have any questions, we may ask you to provide evidence that the employers sharing an apprenticeship service account are connected.
- E157. You must:
 - 157.2. ensure the PAYE scheme for the apprentice's employer is associated with the same apprenticeship service account which records the apprenticeship for them

Co-investment

We have identified examples where the reported co-investment payments do not match what we are expecting. This relates to BIRST report 16 - 'Recording co-investment payments'.

Where apprenticeship training is not receiving funds from a digital account (non-levy payers), employers must co-invest 10% of the agreed training cost up to the maximum value of the funding band. If an employer's digital account balance is less than that month's funding for an apprentice, co-investment is required from the employer for 10% of the remaining earnings (up to the funding band maximum). Both levy and non-levy paying employers must pay any training and assessment costs agreed above the funding band maximum.

If the apprentice is receiving full funds through an employer's digital account, or we have waived the co-

investment amount, you do not need to report co-investment. Apprenticeships where we have waived the co-investment (for eligible apprentices at a small employer) are not included in this report.

If you are a provider delivering an apprenticeship to your own employees, then you do not need to report co-investment. In this circumstance, you must record the learning delivery monitoring code 356 - 'Apprenticeship being delivered to own employees' in the 'Learning Delivery Funding and Monitoring' fields on the apprenticeship programme aim. Apprenticeships using this code are not included in the report.

You must report any payments received from the employer by completing the 'Apprenticeship financial type' field with a 'Payment Record' (PMR) in the ILR and keep evidence for the collection of these contributions. We will account for any refunds made to the employer when identifying if the 10% has been collected. You must record a separate payment record for each payment that the employer makes to you; this should cover payments across the apprenticeship not just the current year's ILR collections.

You may agree a schedule of co-investment payment with the employer that does not match monthly payments made by us, provided the employer has paid a matching 10% of the programme earnings to date by the quarterly data-points as set out in the funding rules (June, September, December and March).

At least every quarter, you must: * have collected the co-investment from employers, and * report the cash value on the ILR of total employer contributions received from the beginning of the apprenticeship to the end of the quarter on the ILR in June, September, December and March

We will withhold the completion payment if you do not collect the employer contribution as detailed above.

Further guidance is available in the [apprenticeship funding and performance-management rules for training providers](#) and the [apprenticeship technical funding guide](#).

If you have examples that you believe are incorrectly showing on the report, please send the details to the service desk, asking for it to be allocated to funding rules monitoring (FRM), and we will investigate. We are reviewing whether this is the most useful way of showing this data, so please contact us via the service desk if you have any feedback on this or any other funding monitoring reports.

One-day durations

We have identified learners who have withdrawn from learning on the day they started when planned duration was longer than a day, including breaks in learning. This relates to BIRST report 8 – '1 day durations'.

You must have evidence that learning is or has taken place (including a work placement, if the learner is taking part in a traineeship) and records are available.

If the learner withdrew without completing one episode of learning, for example without attending the first class, then that learning must not be included in the ILR. You must correct this data by removing the learning aim from your ILR.

For larger qualifications with planned durations of 14 days or less, you must retain evidence that shows how you planned to deliver the learning and how the learner would achieve within the planned duration reported in the ILR.

We may ask you to provide evidence of learning taking place, including how you planned to deliver the qualification, where funding is earned.

We will recover any funding if appropriate.

Small employer waiver

We waive the co-investment requirement for apprenticeships for 16 to 18 year olds (or disadvantaged 19 to 24 year olds) at employers with fewer than 50 employees who have a contract of employment in the 365 days before the apprentice was recruited. All references to an 'employer' relate to the whole organisation, as well as any connected companies, and not to individual sites or locations. To be eligible for the small employer waiver, you must account for the number of employees at the whole group of connected companies.

This relates to BIRST report 14 - 'Small employer waiver'. This report is not intended to highlight these as definite errors where we recover funding; it is an indicator that the employer may be larger than 50 employees based on data from the Employer Data Reference Service (EDRS). We use the figures that relate to the whole company tree in EDRS to determine a potential error. Some of the figures used in EDRS are from Companies House accounts, which reflect official employee numbers that would generally coincide with the '12 months prior' funding rule.

We check the outputs of the report against Companies House and other sources such as Fame. If we consider the employer potentially ineligible for the waiver, then we may contact you directly to request your evidence for this waiver. As noted in paragraphs EP98, EP166.6, P103 and P212 of the [provider and employer provider funding rules](#), you should be able to provide robust evidence to support the claim for the waiver.

If you have a declaration from the employer that relates to the whole group of connected companies then you are eligible for the waiver. However, you should assure yourselves that the employer declaration is accurate where possible, and you should challenge them if you do not feel it is accurate.

If the EDRS data is incorrect, we expect you to update the data to ensure it is as accurate as possible by submitting an update on [EDRS](#).

If the employer is not eligible for the waiver, you must remove the SEM flag (which identifies whether the employer recorded in the employer identifier field is a small employer) from 'Learner employment status type' on the ILR, and you will need to collect the necessary co-investment.

We may undertake further assurance activities after the final R14 ILR return for 2017 to 2018 and recover any over claim of funding if we are satisfied use of the SEM flag is an error.

Continuing learners

We have identified a number of continuing learners from 2016 to 2017 who do not appear in the 2017 to 2018 ILR. This relates to BIRST report 3 - 'Continuance issues'.

If you do not return the ILR in 2017 to 2018 and the learner is still in learning in 2017 to 2018, you may not be earning funding for the training you are delivering and it will negatively affect your qualification achievement rates (QARs).

The 2017 to 2018 ILR must include aims that are continuing. This is where the completion status code = 1 and the learning actual end date is null. If data is incorrect after the hard close (R14) of the previous ILR year and the data is incorrect due to an administrative error, then correct the data and continue to return it

in 2017 to 2018.

If the learner was reported as continuing in 2017 to 2018, but has since been identified as having withdrawn before 1 August 2017, you must record the learning actual end date as the last day the learner was in learning (this date will be in the previous ILR year – you must not use 1 August 2017).

For traineeships and apprenticeship programmes, the ILR must include the programme aim and all the associated component aims, even if the component aims are completed and closed.

If the start date was incorrect and you have changed this across years, the data will also appear in report 7. You must follow the provider support manual guidance for correcting data errors across years. Failure to do so may result in records that we do match, which will negatively affect your QARs.

Changes to the learning start date will result in duplicate and continuance issues and will also have a negative impact upon your QARs.

Further guidance is available in the [funding monitoring reports: user guide 2017 to 2018](#) the [provider support manual](#) and the [ILR specification 2017 to 2018](#).

Please contact the [service desk](#) for the attention of the funding rules monitoring team, if you need further advice about how to make corrections or to provide evidence.

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