

Apprenticeship Funding Requirements 2011/12

July 2011

Of interest to all Agency staff, colleges, training organisations and employers

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Section 1 Executive Summary

1. This document forms part of the Contract/Funding Agreement between the Provider and the Chief Executive of Skills Funding (Chief Executive) in the delivery of classroom and workplace learning provision. It can only be varied in writing by the Chief Executive or by those that are authorised to do so. Any amendment to these requirements will explicitly state that it has that authority.
2. The document sets out the way in which the Skills Funding Agency (the Agency) will fund Apprenticeships, through the Adult Skills Budget in 2011/12.
3. There are changes from 2010/11 and these have been announced in [Further Education – New Horizon, Investing in Skills for Sustainable Growth](#) November 2010 and the [Skills Funding Agency Guidance Notes](#).
4. Additionally, in April 2011 a number of provisions of the [Apprenticeships, Skills, Children and Learning Act 2009](#) came into force. This Act changed significantly Apprenticeships for 2011/12. These requirements take into account these provisions.
5. The most significant change is that an apprentice must be employed under a contract of employment on the first day of an Apprenticeship unless there are alternative completion conditions agreed or that an individual is starting an Apprenticeship through the Access to Apprenticeships pathway. Further details can be found in the main part of these requirements.
6. To simplify these requirements the single term 'Providers' will be used instead of a constant reference to colleges, training organisations and employers. The individual type(s) will only be used where the requirements apply only to that specific type(s) of Provider.
7. The Adult Skills Budget is broken down in two sub-categories to ensure learning takes place in an appropriate context. These are:
 - Classroom learning
 - Workplace learning.
8. Workplace learning is defined as:
 - Any learning aim predominantly delivered within the work place and in connection with the learner's occupation or employer's business
 - An Apprenticeship Framework (all levels)

- Basic Skills in Literacy and Numeracy delivered to an employed learner supported¹ by their employer.
9. For funding purposes, all learning not defined as workplace learning is treated as classroom learning.
 10. The Agency will continue to confirm for funding for Qualifications and Credit Framework (QCF) learning aims that make up the core offer. For 2011/12 the list of qualifications confirmed for funding will be updated on a monthly basis and the Learning Aim Reference Application (LARA), will be updated accordingly thereafter. More information can be found on the [Agency's website](#) on the Agency's funding confirmation process for qualifications.
 11. The funding methodology used in 2010/11 has been retained in 2011/12. Details can be found in the [2010/11 Funding Requirements](#) and in [related documents](#) on the Agency's website.
 12. The Agency uses a convention to indicate financial and funding years. For financial years, April to March, they will be in the format as 2011-12. For funding years, August to July, the Agency uses the format 2011/12.

¹ 'supported' meaning paid time off work, access to learning during working time or delivered in the employer's premises in work time

Section 2 Funding Priorities for 2011/12

13. The Secretary of State for Business, Innovation and Skills, Vince Cable, wrote to the Chief Executive of the Skills Funding Agency on 31 March 2011 setting out the priorities for 2011/12 for the Agency. These were:

- *Funding Providers in line with Investing in Skills for Sustainable Growth so that those adults who meet the entitlement criteria can access learning in 2011/12; and encouraging progression into higher levels of training, HE and other economic outcomes.*
- *The National Apprenticeship Service to deliver the Government's Apprenticeship commitments for both young people and adults, including expanding the numbers of adult Apprenticeships and contributing to raising the participation age by expanding Apprenticeships for 16-18 year olds. Budget 2011 announced an additional £177m to deliver a package of measures for Apprenticeships. This includes support for SMEs to set up Advanced Level and Higher Apprenticeships and to support capacity building in Higher Apprenticeships. Taken together with the funding announced at the Spending Review, this means that it will be expected at least 250,000 more adult apprentices to be funded over the next 4 years.*
- *Also on behalf of Department for Education (DfE), allocation funding for the training of 230,000 apprentices aged 16-18 years old in 2011/12; and monitoring the risks around quality, financial health and efficiency of those Providers delivering 16-18 education and training, as agreed with the Young People's Learning Agency (YPLA). DfE will consult the Agency on any proposed in-year changes to 16-19 Apprenticeships funding plans and any changes will be reflected in a revised delivery target.*
- *Work closely with the UK Commission for Employment and Skills to raise employer aspiration for and investment in skills for their employees.*
- *Support a simplified funding and performance management system, which recognises our commitment to free Providers, reduce bureaucracy and the costs for the sector, and enable Providers to be held to account by the communities they operate in.*

Section 3 Principles of Funding Apprenticeship Learning

14. The Agency assigns a rate to an Apprenticeship Framework based on a variety of factors:
 - activity costing research
 - information from Issuing Authorities, Sector Skills Councils, Sector Bodies and Awarding Organisations
 - ILR data
 - other information sources, such as the Regulatory IT System (RITs) which is managed by OfQual.
15. The rate given to the competency aim within an Apprenticeship Framework is the residual value in the Framework rate after the value of the technical knowledge and Key/Functional Skills learning aims have been removed. The value of the technical knowledge and Key/Functional Skills learning aims are the common values used by the Agency outside of an Apprenticeship Framework.
16. All the Providers must:
 - ensure that duplication of provision in an apprentice's programme of study is avoided and, if this occurs because of an overlap in learning aim content, e.g. nesting of aims, adjustments to funding claimed must be made to reflect the degree of overlap
 - not claim Agency funding for any part of any apprentice's programme of study that duplicates that received from any other public source, for example, a different Agency funding stream, YPLA, or Higher Education Funding Council for England (HEFCE)
 - only claim funding for apprentices assessed as eligible for the Agency funding as stated in these requirements and the companion document [2011/12 Learner Eligibility and Contribution Rules](#).
17. The Agency will not fund learning aims where only assessment is required to achieve or where very little learning is involved.
18. All 19-24 and 25+ Apprenticeships are co-funded. The expected employer contribution is a minimum of 50% of the full cost of a competency and technical knowledge based learning aims and 17.5% of Key/Functional Skills/GCSE within an Apprenticeship for all 19-24 and 25+ Apprenticeships.
19. In the delivery of 16-18 Apprenticeships, Providers must not charge employers for any delivery of the mandatory elements of the Apprenticeship Framework. Where, in agreement with the employer, the Provider delivers additional services or provision to the employer's apprentices, then additional funding may be sought from

the employer. Providers must not make it a condition of delivery that additional provision is taken up by an employer in order to access 16-18 Apprenticeships.

20. It is expected that the majority of apprentices will progress from an Intermediate Level Apprenticeship to an Advanced Level Apprenticeship and/or a Higher Apprenticeship. The funding that applies to these progressional routes is determined by the age of the apprentice at the start of the subsequent framework and not that at the start of the original learning.
21. For apprentices who have completed an Intermediate Level or Advanced Level Apprenticeship it is not expected that they will start another Intermediate Level or Advanced Apprenticeship in a related occupational area, as they are expected to progress to a higher level of Apprenticeship as their skills and competence grow. However, it is recognised that there are special circumstances where the apprentice's job role and the requirements of their employment is to be multi-skilled. The Provider must be able to demonstrate that a repeat Intermediate Level or Advanced Level Apprenticeship is, for example, occupationally relevant and of material benefit to the apprentice. This does not apply to an apprentice where they have changed their occupation, for example, from retail to construction.

Use of ILR Field Proportion of Funding Remaining
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22. ILR field Proportion of Funding Remaining (PropFundRemain) must be used where the apprentice progresses onto a higher level learning aim from a lower level learning aim and there is commonality between the two learning aims. This is usually referred to as 'nesting' and occurs where the higher level of learning aim has elements which are extensions of competence or knowledge of the lower level. The Agency may publish specific reductions in funding for certain sectors or learning aims. However, it is the Provider's responsibility to ensure that this is taken into account when funds are claimed.
23. ILR field Proportion of Funding Remaining is not intended to be used for apprentices who simply progress through learning aims quicker than other apprentices.
24. Where part of a learning aim has been achieved through recognition of prior learning (RPL), exemption or credit transfer the proportion of the learning aim achieved through this must be reflected in the value claimed and therefore funding must be reduced. Funding must only be claimed for the proportion of learning delivery required for the achievement of the learning aim.
25. ILR field Proportion of Funding Remaining is only used to reduce the amount of funding paid in monthly instalments and does not reduce the achievement element. For example, for funding of a competency learning aim within an Apprenticeship Framework to be reduced to 50% of the original value, the monthly instalments need to be reduced to 25% as the achievement element is 25%. Therefore a

value of 033 will be needed in ILR field the Proportion of Funding Remaining to reduce the instalment funding (75%) to 25%.

$$\begin{aligned} &100\% \text{ Funding} - 25\% \text{ Achievement} \\ &= \\ &75\% \text{ Monthly payments} \times 33\% \\ &= \\ &25\% \text{ monthly payments} \end{aligned}$$

$$\begin{aligned} &25\% \text{ Monthly payments} + 25\% \text{ Achievement} \\ &= \\ &50\% \text{ Funding} \end{aligned}$$

26. Providers should use their professional judgement when calculating the value of funding to be claimed. They must be able to evidence the validity of the calculation in a rationale manner. Providers must ensure that they have appropriate processes and controls in order to evidence any judgement made.
27. ILR Field Proportion of Funding Remaining will also be used for apprentices transferring from other Providers, for apprentices returning to learning after a break and to those apprentices who change the Additional Learning Support categorisation during learning.
28. ILR Field Proportion of Funding Remaining is not used in Key Skills, Functional Skills or GCSEs, where prior learning or achievement has taken place. However, a higher level of learning aim could be offered to the learner where this is applicable.

Section 4 Workplace Learning and Apprenticeships

29. An Apprenticeship is a Framework of learning aims approved by the relevant Issuing Authority.
30. Details of Apprenticeship frameworks are available from the [Apprenticeship](#) website. As new frameworks are confirmed for funding the Agency will update the spreadsheet on the [Apprenticeship](#) website. It must be noted that only when a Framework has been approved for funding can the Provider start an apprentice on that framework.
31. The funding values of all Apprenticeship learning aims are listed in the Learning Aims Reference Application (LARA).
32. A proportion of funding is held back and is only paid to Providers on achievement by the apprentice of the whole Framework. This value is defined as the achievement element.
33. In Apprenticeships, the achievement element is paid based on achievement of the whole Apprenticeship Framework. The achievement element is 25% of the value of the competency aim. Technical knowledge learning aims and Functional/Key Skills/GCSEs do not have an achievement element and are paid in full by monthly instalments. Where an integrated learning aim, that is a combination of competency and knowledge, is delivered then an achievement element will be applied to that learning aim.
34. An Area Uplift based on the location of learning and skills delivery is applied to the value of each aim. The Area Uplift percentage is applied to learning that takes place in London and the South East of England to acknowledge the greater costs of delivery in these areas. It must be based on where the apprentice is employed for aims delivered in the workplace. It is calculated from ILR field Delivery Location Postcode. Where employment means that the apprentice location changes due to the nature of work, for example, in the construction sector, the first location used for structured learning must be used. If the apprentice's work address is not in England, but they still an English resident, then no uplift will be paid.
35. Disadvantage uplift is applied to all Apprenticeship rates and is based on the apprentice's home postcode, ILR field Postcode. It is similar to the Area Uplift in that it applies a percentage to the overall rate. The special arrangements for the security of apprentices employed by the Ministry of Defence (MoD) will continue – that is, the postcode of the base where they are first stationed is treated as the apprentice's home postcode. An apprentice whose home address is outside of England will not receive area uplift.

36. Neither the Area nor Disadvantage uplifts are applied to Additional Learning Support.
37. An apprentice who is expected to be in learning for each separate learning aim for more than 24 weeks, but who leaves without achieving their aim and without having completed six full weeks in learning, counted from the start date, will not be funded. Any funds paid to a Provider in respect of these apprentices will be reclaimed from future payments. If an apprentice is expected to be in learning for a learning aim for less than 24 full weeks, the qualifying period for payment is two full weeks. However, this only applies to an apprentice who has a break in learning or transfers between Providers, as it would be exceptional that any Apprenticeship learning aims could be achieved in this short time period.

Learning aim planned length	Minimum days in learning for funding
Greater or equal to 24 weeks (168 days)	6 weeks (42 days)
2 to 24 weeks (14 - 167 days)	2 weeks (14 days)
1 to 13 days	1 day

38. All apprentices who start an Apprenticeship Framework on their 19th birthday or later will be co-funded. The exception to this is for those apprentices who qualify for enhanced funding, see paragraph 89, based on specific characteristics.
39. Apprentices who require Additional Learning Support in excess of £19,000 per year, termed 'high level' ALS, will be considered for support on a case-by-case basis and must contact their Agency Account Manager for advice.
40. All apprentices have to be eligible for funding. Details can be found in the [2011/12 Learner Eligibility and Contribution Rules](#). This details whether an individual is eligible for public funding.

Section 5 Apprenticeships

41. Apprentices learn on the job, building up knowledge and skills, achieving learning aims and earning money all at the same time. They work towards work-based, nationally recognised learning aims.
42. The content of each Apprenticeship, known as a Framework could contain:
 - A competence based element²
 - A technical knowledge based element²
 - Functional Skills, Key Skills or GCSEs
 - Employment Rights and Responsibilities (ERR)
 - Personal Learning and Thinking Skills (PLTS)
 - On-the-job and Off-the-job Training Guided Learning Hours (GLH).
43. The Specification of Apprenticeship Standards for England (SASE) sets out the minimum requirements to be included in a recognised English Apprenticeship Framework. Compliance with the SASE is a statutory requirement of all Apprenticeships as set out in the Skills, Children and Learning (ASCL) Act. SASE compliant Frameworks will set out the expectations and detail for the delivery of each Apprenticeship. The majority of the frameworks have requirements, in particular in relation to GLH, which are above the minimum levels in SASE. Providers must ensure that their delivery models are structured to deliver these requirements rather than focus on the minimum set out in SASE.
44. To comply with the ASCL Act 2009, apprentices are required to apply for their completion certificate, only when they have completed all the component parts of the framework. The apprentice is required to provide the necessary evidence requirements to confirm that they have met the full requirements of the Framework before the Certifying Authority issues a certificate. This will include a declaration that the GLH required by the framework, and delivered by the provider, has been met. The Agency will not be auditing GLH records associated with the delivery of the Apprenticeship framework.
45. Each Framework will list the exact learning aims and level that make up that Apprenticeship. Only those listed as mandatory are funded and all mandatory learning aims must be completed in order to achieve the Apprenticeship Framework. The only variation to this is that a higher level of the mandatory Key Skills or Functional Skills can be delivered, where appropriate, and is funded. This may be where the apprentice already has achieved the level of Key Skills or Functional Skills required and wishes to follow a higher level. Funding

² An integrated learning aim which combines competency and technical knowledge elements may be used.

will not be paid for progression from one level to another in the same Framework.

46. If Employment Rights and Responsibilities (ERR) and/or Personal Learning and Thinking Skills (PLTS) are delivered as an accredited learning aim no funding is available. The funding for these two elements of the Apprenticeship Framework are included in the overall Apprenticeship funding rate. If learning aims are reported on the ILR then the Funding Model (FundModel) for these aims must be reported as 99 - No Skills Funding Agency or YPLA funding for this learning aim.
47. Following consultation with key partners and the identification of a need for additional development time, Ministers have agreed an extended, temporary transitional arrangement involving parallel running between Key Skills, Functional Skills and GCSEs (with increased functional content) from April 2011 until the end of September 2012. This extension is subject to further work with stakeholders, to develop a wider range of flexible assessment models to ensure that Functional Skills are intrinsic to Apprenticeships and to facilitate full implementation by September 2012.
48. Apprentices must follow an Intermediate Level Apprenticeship, Advanced Level Apprenticeship or Higher Apprenticeship Framework that is current on the date on which they start. The Agency does not expect that an apprentice will change from an older framework to a newer framework as they are updated. In exceptional circumstances, for example, the employer requests that a learner changes framework due to the introduction of new technology not covered in the older framework, all funding claimed for the older framework must be used to reduce the funding claimed in the new framework. The older framework on the ILR must be recorded as a withdrawal and not as a transfer.
49. Apprentices will not be funded to repeat learning aims they have previously achieved. This includes learning aims that act as proxy or a concession. Where an apprentice has already achieved Key Skills or Functional Skills at the level set within the Apprenticeship Framework, then a higher level of Functional/Key Skills will be funded if chosen.
50. Providers will not be funded for learning aims outside of an Apprenticeship Framework, either in classroom or other workplace learning, in order to gain financially from different rates or different full/co-funding arrangements. Where learning aims are started prior to an Apprenticeship start then they will continue to be funded in the same way. However, the Provider must be able to demonstrate that this was not done to increase funding.

Age

51. Apprentices are funded at different rates defined by their actual age at the time of starting their programme of learning. This is their age when they start a Framework, even if elements of their Framework are only started after they have become either 19 or 25 years of age.
52. The funding associated with an apprentice who progresses onto or changes to another Framework, either at the same level or higher, is based on their age when they start the new Framework and not the age that they originally started learning.

Eligibility to Apprenticeship Funding

53. Learner eligibility to public funds is covered in detail in the [2011/12 Learner Eligibility and Contribution Rules](#).
54. Additionally to the [2011/12 Learner Eligibility and Contribution Rules](#) all apprentices must not be in full-time education³ and have left full-time compulsory education⁴.
55. Individuals from outside of England whose compulsory school leaving arrangements are different to those in England will have to comply with regulations as they apply in England, even if technically they have already left compulsory education in their 'home' country.
56. An individual cannot start an Agency funded Apprenticeship while they are still in full-time compulsory education. This includes the time between the individual's last exam and the last Friday in June if they are in their last year of compulsory education, even if they are employed outside of school time, for example, part-time work after school or at weekends. Any apprentice following an Apprenticeship is deemed to be undertaking a full-time programme regardless of the number of hours actually in learning. As such they are not eligible to undertake any other full-time funded learning, for example, Further Education or School Sixth Form.
57. The ACSL Act requires all apprentices to be employed at the start of the first day of their Apprenticeship apart from those apprentices from certain sectors that have 'alternative completion conditions' agreed to by the government or are individuals following the Access to Apprenticeship pathway.
58. The sectors currently proposed to be covered by alternative

³ Full-time is defined as an aim or programme of aims which is delivered in 450 guided learning hours or more within one funding year or that the aim involves 16 guided learning hours or more per week which is not part of an Apprenticeship.

⁴ The leaving date for full-time compulsory education is the last Friday in June in the academic year that the individual becomes 16 years of age as defined in Education Act (School Leaving Date) Order 1997.

completion conditions are:

- Amateur Sports designated as Olympic/Paralympic and Commonwealth Games
- Sea Fishing.

These may be subject to further changes later in the year at which point further updates will be provided.

59. The term 'employed' is defined as an individual who has a 'contract of employment'. This precludes individuals who are self-employed being described as employed for the purpose of achieving a full Apprenticeship.
60. An Apprentice must be employed in a job role with a productive purpose. The job will allow them to have the wider employment experience that is a key part of an Apprenticeship. It is not acceptable for a Provider to directly employ apprentices purely with the intention of them achieving the Apprenticeship. The only exception to this will be where employment is through a National Apprenticeship Service (NAS) recognised Apprenticeship Training Agency (ATA) who must operate in accordance with the NAS ATA Framework and other conditions set out on the [Apprenticeships website](#).
61. Anyone who has obtained a higher education learning aim at Level 4 or above as defined on the National Qualifications Framework (NQF) or Qualifications and Credit Framework (QCF), including but not exclusively being awarded a first degree by a recognised university or other recognised higher education (HE) institution is ineligible for Apprenticeship funding, except those who have participated in the National New Deal programme. However, from 2011/12 Apprentices who have completed a Higher Apprenticeship at Level 4 are eligible for funding for progressing to another Higher Apprenticeship at a Level 5 or higher.
62. Funding is available for a maximum of one Apprenticeship Framework at any one time. The delivery of more than one Apprenticeship Framework must be done consecutively and not concurrently.
63. Apprenticeship funding cannot be used to pay Apprenticeship wages, as its primary function is to fund learning. Therefore, where the Provider is also the employer, or an associate organisation is the employer, the Provider must be able to positively demonstrate that Agency funds are not being used in this way.
64. If the Provider or associated organisation is the employer this must be in a substantive job role and not have been created for the purpose of fulfilling the employment criteria of the Apprenticeship.
65. Where the apprentice wishes to progress to another Framework, at the same or higher level, then the previous Framework must have

either been achieved or the apprentice has been withdrawn from the Framework. Providers must not claim funding for the apprentice for following two or more concurrent Frameworks. The start date of the new Framework cannot be before or on the achievement date of the previous Framework or the Actual End Date.

66. Employees of Central Government Departments and their Agencies are eligible for Apprenticeship funding subject to general rules on eligibility. This includes all civil, crown and public servants.

Apprenticeship Vacancies

67. Apprenticeship Vacancies (formerly the Apprenticeship Vacancy Matching Service) is the website operated by the Agency which enables individuals to be matched to Apprenticeship opportunities.
68. Providers must ensure that all of their Apprenticeship vacancies are advertised on the Apprenticeship vacancies website. The only exception to this will be where the proposed Apprenticeship opportunity is being offered to an individual that is already in employment. When a vacancy advertised on the Apprenticeship vacancy website has been filled, the Provider must ensure that they enter on the Apprenticeship vacancy website the details of the successful and unsuccessful individuals who applied to complete the data entry for that vacancy.

Employment Hours

69. Employment must be for at least 30 hours per week, except in the minority of circumstances where **the learner** cannot complete the full 30 hours. In these cases employment must be for more than 16 hours per week. The National Apprenticeship Service has published a [policy statement](#) on their website.
70. All learning must take place within an employee's contracted hours and therefore Providers have a responsibility to ensure that the apprentice is able to complete the Framework within those contracted hours. Any reduction to part-time working hours from full-time will result in an apprentice taking longer to complete the programme. Additionally, as part of the new SASE requirements, all Providers will be expected to comply with the [Apprenticeships, Skills, Children and Learning Act 2009](#), which states that an apprentice must receive, at least, 280 guided learning hours each year of their Apprenticeship. All SASE compliant Frameworks will contain at least the minimum number of guided learning hours to be delivered in each year, but may be more.
71. Zero hours contracts will be accepted for Apprenticeships only where there is a contract of employment in place between the apprentice and the employer but where the working hours are not fixed. The number of hours worked per week and the pattern of working hours

may vary but there must be a clear undertaking between the employer and the apprentice to complete the Apprenticeship within the hours worked. The Apprentice must still be working for at least 30 hours per week, except in the minority of circumstances where the learner cannot complete the full 30 hours. In these cases employment must be for more than 16 hours per week.

72. Individuals with an irregular working pattern must use a four week rolling average in order to ensure they comply with the Funding Requirements as to the hours worked.
73. The Agency will, as part of the performance management and assurance arrangements continue to ensure Provider performance in Apprenticeships meets the highest standards possible. Where Providers are seen to be undertaking large numbers of part-time apprenticeships inappropriately, the Agency will look to remove funding from future allocations and redirect funding to high performing Providers where the interests of apprentices are being protected.

Access to Apprenticeship

74. Access to Apprenticeships is a pathway to a full Apprenticeship. The main difference is that the learner on this pathway is not required to be in employment on the first day of their Apprenticeship.
75. A learner on the Access to Apprenticeship pathway will not be categorised or counted as an “apprentice” but they will work towards the elements of an Apprenticeship Framework for up to a maximum of 6 months before moving to a full Apprenticeship with a contract of employment. However, the expectation is that the majority of learners will move into employment within 3 months, depending on their individual circumstances.
76. The majority of time on the Access to Apprenticeship pathway will be spent in a substantive work placement. The number of hours on the pathway will be the same expected for those on a full Apprenticeship (see Employment Hours section in paragraphs 69 to 73).
77. In order to be eligible for the Access to Apprenticeships pathway the individual must be:
 - Aged 16 years or more, but not 25 years or greater on the day they start, and
 - Be assessed and able to fully participate in an Intermediate Level or Advanced Level Apprenticeship, and
 - Either,
 - i. Be defined as Not in Education, Employment or Training (NEET) for the whole of the preceding 13 weeks or more prior to start date, or
 - ii. Assessed and eligible for Additional Learning Support (Additional Learning Needs (ALN), Additional Social Needs (ASN) or both)

78. Any or all of the elements of an Apprenticeship Framework can be started during the period on Access to Apprenticeships; however, the learner cannot complete the competence or technical knowledge learning aims during the time spent on the Access to Apprenticeship pathway. They are required to complete these elements of the programme whilst in a full Apprenticeship with a contract of employment.
79. All Apprenticeship Framework activity must take place within the agreed hours as stated in the Learning Agreement.
80. Holiday entitlement will accrue at two and a half days per calendar month on the Access to Apprenticeship pathway. However, when employment is gained, this holiday entitlement within Access to Apprenticeships is not carried forward into employment.
81. Expenses e.g. travel or out of pocket expenses can be reimbursed to the learner and will be claimed on the Training Provider Statement using Learner Support.
82. The Agency will use 2011/12 as a transitional year to allow Providers to deliver the Access to Apprenticeship pathway whilst receiving normal Apprenticeship funding for those participants based on age at start. However, in future the Agency will not expect to pay the 25% achievement element if the learner does not move into an employed Apprenticeship by the end of the 6 month maximum time period. Further development work will be undertaken on the achievement element in 2011/12 as part of the Agency's simplification of funding for 2012/13.
83. A learner who is on an Access to Apprenticeships pathway cannot achieve the full Apprenticeship unless they gain employment. The Agency reserves the right to make an adjustment to the following year's funding allocation based on the value of delivery to the learner which did not result in a full Apprenticeship start under a contract of employment.
84. The Provider must ensure that the ILR data is correctly reported and that code 127 is recorded in the ILR field Learning Delivery Funding and Monitoring Code (FAM) LDM to identify the learner on an Access to Apprenticeship pathway.
85. The Access to Apprenticeship pathway and the Apprenticeship are delivered in one continuous programme from beginning to end with no change of status apart from Current Employment Status during delivery as reported on the ILR.
86. When an Apprentice becomes employed a Current Employment Status entry must be reported in the ILR.
87. Learners on the Access to Apprenticeship pathway may be in scope for eligibility of the new Bursary Fund. The Bursary fund however is still at the consultation stage. Once the outcome of the consultation is known the Agency will notify Providers how the new fund relates to learners on the Access to Apprenticeship pathway at the earliest

opportunity.

88. The National Apprenticeship Service (NAS) has produced a Frequently Asked Questions to help with understanding Access to Apprenticeship pathway. It can be found on the [Apprenticeship website](#).

Enhanced Funding for 19-24 Apprentices

89. Eligible individuals who have not been available to enter learning prior to their 19th birthday due to a reason beyond their control will be funded at fully funded 19-24 rates as long as they start an Apprenticeship before their 25th birthday.

90. Examples of reasons are:

- disability
- ill health
- pregnancy
- a custodial sentence
- remand in custody
- they are a carer
- significant language difficulties (not ESOL)
- as a result of a care order or
- detention under the Mental Health Act.

This is not an exhaustive list and Providers must get in touch with their Agency Account Manager if they are unsure of the validity of the reason.

91. The reason why an individual could not enter into an Apprenticeship before their 19th birthday must cover a significant majority of the time between leaving full-time compulsory education and starting an Apprenticeship.

92. An apprentice would not be entitled to enhanced funding if, since leaving full-time compulsory education and the proposed start date of their Apprenticeship, they have been either:

- in employment
- unemployed (not due to a reason listed above)
- not resident in England
- in education, either in school sixth form, a further education college or other training organisation
- on E2E, work-based learning, Train to Gain or an Apprenticeship, or
- since the apprentice's 19th birthday there has been a period of at least six months in which the reasons listed in the paragraph above have not applied.

93. If the apprentice had started an Apprenticeship prior to their 19th birthday and one of the reasons listed in paragraph 90 had caused the apprentice to leave they will be funded at the fully-funded 19-24

rate to resume and complete their Apprenticeship. It is appreciated that it is unlikely that the same learning aims will be available within a Framework. Therefore, it is not expected that the Provider will need to use ILR field Proportion of Funding Remaining to take into account prior learning unless the same learning aims are available.

94. Providers must report enhanced funding by recording the apprentice as fully-funded in the ILR field Learning Delivery Funding and Monitoring type – Full or Co-funding Indicator (FFI). Further guidance can be found in the ILR Specification and ILR Provider Support manual.

2011/12 Funding Rates

95. The 2011/12 National Rates per SLN based on age of the apprentice when they start their Apprenticeship Framework are:

- 16–18 Apprenticeships £2,862
- 19-24 Apprenticeships £2,615
- 25+ Apprenticeships £2,092.

Large Employers

96. In 2011/12, as in 2010/11, there will be an up front 25% rate reduction for all 19+ Apprenticeship provision delivered to and by large employers, that is, those with 1,000 or more employees. This will be applied to all 19+ apprentices, and will include apprentices already on these programmes as well as new apprentices joining.
97. The large employer reduction does not apply to any apprentices who start an Apprenticeship before their 19th birthday or to a learner of any age on an Access to Apprenticeship pathway.
98. Private sector employers will be derived from the information they supply to Companies House, which is replicated on the Employer Data Service (EDS) database. This will include all those who directly employ more than 1,000 employees, including all parent and subsidiary companies who are defined by Companies House as being part of the same group.
99. The list will be produced in July 2011 and will remain static for the whole of 2011/12. Additional names and workplaces will NOT be added or removed from the list during the year. The list will be updated on an annual basis.
100. Colleges and training organisations will use the unique Employer Reference Number (ERN) in ILR field Employer Identifier (Empld) in order to identify the employer. This ILR field is mandatory for all Apprenticeship provision. This will be compared to the list of large employers (including all workplaces) and where applicable a reduction will be applied automatically in the funding calculation.
101. In the case of the public sector the Agency will use the same rationale as for the private sector, i.e. where the organisation has

more than 1000 employees they will receive a reduction to the rates paid for learning.

102. Currently, information held on public sector organisations and the size of their workforce, is very variable. The Agency has therefore taken a cautious approach to defining public sector employers for 2011/12. The list will include all central government and public sector defence organisations (i.e. The Army, Royal Navy and Royal Air Force; as well as all local authorities). Other public sector organisations will be identified by desk research from information already held in EDS.
103. Registered charities, schools, colleges and universities will be excluded from the list.
104. The large employer rate is being applied to all Ministry of Defence (MOD) and in order to simplify the arrangements with the MOD the following Employer Reference Numbers (ERN) must be recorded in ILR field Employer Identifier (Empld) regardless of locations or whether through a direct contact or delivered to the MOD by a college or training organisation. This includes both new starts and carry over apprentices.

MOD Service	ERN
Army	154231517
Royal Navy	900523387
Royal Air Force	155146343

105. In addition all Providers who are contracted by the National Employer Service (NES) will be given a single ERN to use for all provision.
106. Large employers involved in the Apprenticeship GTA/ATA and Expansion Programmes working with the NAS will be exempt from the reduction. Separate instructions will be made available to eligible Providers and employers.
107. A full list of all ERNs identified as large employers will be published on the [Data Service website](#). It is not possible due to commercial reasons to publish the names of organisations.
108. The Data Service has published a [frequently asked questions](#) document on the Large Employer rate.

Learner Charges

109. Apprentices cannot be required to contribute financially to the direct cost of learning.

Initial Assessment

110. All apprentices must be assessed before or immediately upon entry to their Apprenticeship programme. Providers must ensure that the information gained as a result of the assessment appropriately identifies the needs of the apprentice. The results of the assessment

must include details of previous competence and must be recorded and used to inform the content of the Learning Agreement.

111. The purpose of initial assessment is to ascertain the apprentice's suitability for the programme and their exact starting point and development needs. Therefore, initial assessment must help shape the programme going forward. Initial assessment must therefore determine, as a minimum:
- the learning objectives of the apprentice and of the programme
 - the apprentice's current abilities, attitudes and aptitudes including prior learning and achievements from other learning aims
 - the apprentice's support and development needs
 - the most appropriate teaching and learning styles and methodologies
 - set a realist expected end date for the learning aims within a Framework.
112. In setting an expected end date for each learning aim within a Framework for the apprentice, the Provider must use their professional judgement based on the evidence that they have. It must take into account the apprentice's assessment, historical delivery patterns and also the nature of the Provider's delivery. For example, where a technical knowledge learning aim is delivered by a college that delivers the learning aim based on a college academic year this must be reflected in the date set.
113. Where there is evidence of systematic abuse of planned end dates reported in ILR data, such that funding is claimed disproportionately to the actual time in learning for the apprentice, then the Agency will require the Provider to repay all funds associated with the learning identified.

Diagnostic Assessment

114. It is the Apprenticeship Provider's responsibility to ensure that an apprentice who may have Additional Learning Needs (ALN) or Additional Social Needs (ASN) is comprehensively assessed using recognised methods. This might include, for example, interviews, formal assessments, observation, reviewing written information, and self-assessment activities. Assessment is not funded through Additional Learning Support (ALS) funds but is included within the base rates for the programme.

Starting an Apprenticeship

115. Once apprentices have started learning, Providers must submit data to the Agency using the ILR data. This information must be updated, where applicable, throughout the apprentice's programme and on leaving learning.
116. For funding purposes a 'start' is defined as a structured learning activity that leads to a learning aim being followed. Assessment,

induction and writing of Learning Agreement are, in this context, not seen as learning.

Health and Safety

117. For details on Health and Safety, Providers should refer to their Funding Agreement or Contract.

Electronic Evidence

118. Guidance Note 7 advised that from 1 August 2011 Providers will be able to hold evidence to support funding claims in an electronic format.
119. The term 'Electronic Records' may be applied to a range of systems and electronic platforms. This can include an archive of scanned documentation (for example, Learning Agreements) and online enrolment and data capture. In the case of the latter, a Provider is expected to have in place demonstrable procedures and policies to enable it to confirm learner existence and eligibility, including physical confirmation of existence and evidence in support of eligibility as necessary. In addition to the Funding Requirements, reference must be made to the 2011/12 Learner Eligibility and Contribution Rules.
120. The Agency does not require any Provider to use wholly electronic records and it may be that a Provider decides only to use electronic records for certain types of information or not at all. This is a business decision for each Provider. Each Provider will need to ensure compliance with current data protection legislation in protecting learner data.
121. In outlining the Agency's views on the use and acceptance of electronic records, Providers are reminded that these are set within the context of the contractual relationship between the Agency and its Providers and do not displace obligations to other agencies or regulators. For example, Providers delivering European Social Fund (ESF) funded programmes will need to demonstrate compliance with the relevant co-financing beneficiary guidance and requirements.
122. The European Commission supports the use of electronic records. More information can be found in the Electronic Signatures Regulations 2002 which European Social Fund Department (ESFD) use as the basis for now allowing electronic signatures and records.
123. The funding requirements for 2011/12 are clear that it is the Provider's responsibility to meet the minimum requirements for evidence and that these need to be sufficient for audit purposes. The Funding Requirements stipulate that the Agency will not be prescriptive on how Providers meet the minimum requirements. These broad principles are also applicable to the use of electronic records.

124. It is the responsibility of the Provider to establish adequate procedures that will ensure the completeness, accuracy and security of data for electronic records. Providers must be able to demonstrate that the procedures are operating satisfactorily, if required to do so by the Agency.
125. During 2009/10 and 2010/11, the Learning and Skill Council and the Agency undertook a pilot study using Paperless Systems Frameworks and Electronic Records with a view to providing certification for such systems. Following evaluation of the pilot it has been concluded that this approach will not be adopted and the Agency will not provide certification for paperless systems.
126. In undertaking its assurance work the Agency's Provider Financial Assurance team and appointed auditors follow testing programmes, which are readily accessible through the Agency's website and within the Provider Data Self- Assessment Toolkit. In all cases the auditors will test for compliance with the Funding Requirements, including minimum evidence requirements, and compliance with the Learner Eligibility and Contribution Rules.
127. The Agency will seek to be pragmatic and reasonable in its acceptance of evidence in support of funding; this will extend to the acceptance of scanned documentation that meets the minimum evidence requirements. The Agency retains the right to challenge electronic records and supporting procedures.

Learning Agreement

128. In order to simplify the Agency's Funding Requirements it has been decided that from 2011/12 the document previously referred to as the Individual Learning Plan will be called the Learning Agreement. This change has been made so that throughout all Funding Requirements for all Adult Skills Budget and Apprenticeships a standard description is used. There is no requirement that Providers change documentation to reflect this, as they are free to use any form of documentation or naming convention. However Learning Agreements must meet the requirements set out in this document.
129. A Learning Agreement must be produced for each apprentice. This must not duplicate information recorded elsewhere. It must contain the details of what will be delivered; how it will be delivered (for example, by group work, workbook and so on); and the way it will be delivered in the light of the apprentice's learning styles and abilities. It must reflect the outcomes of the initial assessment. Learner feedback indicates that apprentices often do not know what they will be doing, when or how. This uncertainty contributes to early drop-out. The Learning Agreement must be the document that records these details. It must contain the learning objectives of the programme that apprentices are following, and state how these will be achieved. The apprentice must be given a copy of the Learning Agreement at the

start of learning. The apprentice must sign the Learning Agreement⁵. It is also good practice that the employer or a representative of the employer also signs the Learning Agreement thus ensuring that the employer is aware of the nature of the learning proposed.

130. The Learning Agreement must describe how the Apprenticeship Framework will be delivered and take account of:
 - the content of the whole Apprenticeship Framework
 - the apprentice's needs, including any ALN and/or ASN identified and apprentice support arrangements.

131. The format and content of the Learning Agreement is at the discretion of the Provider. However, it must include as a minimum:
 - skills, knowledge and competences required and the timescale over which the apprentice will have achieved this
 - training the apprentice is to receive, where it is delivered and how it is scheduled, who is delivering it and what support is being provided
 - methods that will be used to deliver learning (both on- and off-the-job)
 - how on- and off-the-job training will be co-ordinated
 - the apprentice's assessment and review arrangements
 - expected delivery of guided learning hours as preset out in each individual Apprenticeship Framework.

132. The Learning Agreement must be reviewed as part of the formal apprentice reviews, although it is acknowledged that changes would not be required at each review. To reflect the growing capability of the apprentice and where changes are made, these must be agreed with the apprentice and, where appropriate, the employer.

133. Providers must deliver the learning as described in the Learning Agreement. Delivery and assessment are to be in-line with the appropriate Framework and awarding organisation requirements.

Workbooks and Distance Learning

134. Use of workbooks and distance learning in Apprenticeships needs to:
 - demonstrate value for money in usage of public funds
 - be utilised in a manner that best supports an apprentice in both achieving the learning aim and gaining useful skills in a vocational context.

135. The use of distance learning and workbooks is dependent on how the apprentice uses the technique. The Agency would expect that:
 - the apprentices undertaking distance learning or workbooks must do so in their normal contracted working hours

⁵ See the section on electronic evidence.

- the distance learning or workbook would contain elements of underpinning knowledge and understanding
 - the distance learning or workbook, where it is used as part of evidence of competency or knowledge, would show signs that it has been assessed and reviewed by a suitably competent and qualified assessor or tutor – not just completed by the apprentice in their own time with no outcome or testing that the knowledge gained has been put to use, assessed or checked
 - the Provider is able to demonstrate that the approach has been dependant on the vocational context, as learning just from a book without demonstrating competence would not be considered structured learning
 - distance learning or workbook would involve exercises and contact with others to demonstrate research, analysis or application of knowledge
 - a record is made of the decision to use such material or provision in the Learning Agreement
 - the apprentice and their employer are clear why this method is being used by the Provider to deliver the learning outcome
 - any material used is adapted to individual apprentice's needs based on the initial assessment.
136. The use of distance learning and workbooks does not remove the need for Providers to identify where Recognition of Prior Learning (RPL) applies, and therefore where an adjustment to the rate of funding by using ILR field Proportion of Funding Remaining (PropFundRemain) must be made.
137. The use of ILR field Proportion of Funding Remaining (PropFundRemain) where there are significant differences in costs of delivery and funding must also be considered as described in paragraphs 22 to 27. Providers must note that, in calculating the costs of delivery, that development and infrastructure costs of any type of distance, e-learning or workbooks must be excluded as these are seen as part of overall business costs and are not learning aim specific.
138. The Agency recognises that, through innovation, using new technology and delivery methods in vocational learning will change and adapt to employers and apprentices' needs. However, these developments must not be detrimental to the quality of provision and apprentice experience. It is the Providers' responsibility to ensure that any materials used meet the appropriate awarding organisation standards for use in meeting awarding organisation assessment methodology and requirements.
139. The Provider must not require that the apprentice has access to the internet, either at home or work and cannot be a requirement that they do so in order to access learning. However, where facilities have been made available to the apprentice by the Provider (or their employer) then the Provider can prescribe that they are used in connection with their learning. The apprentice must not be required to

pay for access to the internet or for producing material in connection with their learning aims.

Progress Reviews

140. Regular reviews are an important part of the learning process. Apprentices must be reviewed at least every 12 weeks (84 days). Reviews must be recorded, documented and validated by at least the apprentice and the reviewer. However, it is good practice that the reviews are also seen by a representative of the employer, such as a manager or supervisor with responsibility for the apprentice. The review must:
- identify progress made to date and between reviews for each learning aim
 - reflect on progress towards the learning goals
 - review the Learning Agreement
 - set realistic but challenging and measurable targets and goals to be achieved before the next review.
141. A review is not part of the assessment process but may take place during the same visit. A record of assessment is not the evidence of review.
142. The frequency of reviews must be adjusted to reflect the risks of the apprentice leaving early or not achieving, but at least every 12 weeks.
143. It is accepted that some reviews may not be carried out 'face to face' but may be by telephone and/or other electronic means. Where this happens, there must be sufficient evidence to validate that this has happened. It is not expected that all reviews are carried out in this manner as a 'face to face' review will capture significantly more information about the apprentice's progress and attitude to their learning.
144. Occasionally the apprentice will make no progress from one review to another, which may be due to something outside of their control, such as changes in working patterns. The Provider must rearrange the review for another date when the apprentice has progressed. The next review must be appropriate to the apprentice but within the rules set out above. Failure to conduct a single review is not seen as a funding issue. However, if this continues where the apprentice is not engaged in structured learning then funding can only be claimed up to the last date of evidenced structured learning. If agreement is reached between the apprentice, the employer and the Provider that this is a temporary situation then the apprentice can be put on an agreed break in learning where funding is suspended pending the apprentice returning to structured learning.

Breaks in Learning

145. It is not always possible for an apprentice to complete their Apprenticeship in a single attempt. Circumstance will cause the apprentice to break their learning but they still have the full intention of continuing and completing their Apprenticeship. For example, a break may be required due to pregnancy, an accident or illness requiring prolonged time off work, or an extended break from work.
146. The Provider must have a policy for breaks in learning that is clearly explained to the learner. This may be used to explain to the learner when and how they can return to learning, who to contact and what happens if they fail to return within the time period agreed.
147. Where a break occurs an apprentice may return to learning and be funded at the rate that they were previously on, even if their age now means that they fall into another funding category. This means that a 16-18 year old apprentice that has a break in learning and returns when they are 19 years old will be funded at the 16-18 rate. Similarly this also applies to an apprentice who is 19-24 who returns after their 25th birthday as they will be funded at the 19-24 rate.
148. When the apprentice returns, ILR field Proportion of Funding Remaining (PropFundRemain) must be used to reconcile the funding that will be claimed. New aims are created in the ILR for those the apprentice has yet to complete. The Provider must enter a value in ILR field Proportion of Funding Remaining (PropFundRemain) to reduce funding taking account of what has already been claimed.
149. If the learning aim that the apprentice was following is now not valid when they return, i.e. the certification date has passed, the apprentice cannot be classified as a break in learning. This will have the effect of limiting the time that an apprentice can have a break in learning.
150. Providers must take particular care in filling in ILR field Proportion of Funding Remaining (PropFundRemain) to take into account the prior learning that has been funded before the apprentice took a break. Providers must compare the cash value received against the expected funding that would have been received excluding the achievement element. For example, a learning aim valued at £1,200 would be paid £900 in instalment payments and £300 on achievement. If the funding received for the apprentice when they went on a break in learning was £600 then they would have received 67% of the funding. Therefore in ILR field Proportion of Funding Remaining (PropFundRemain) when the apprentice returns the Provider must enter the value 33 to ensure that only the remaining 33% of the monthly instalments are paid. This is because it only affects the instalment payments and not the achievement payment.
151. Apprentices working in Academic Institutions, such as for example Teaching Assistants or Administrative Staff, will usually be given time off during academic breaks or their contract of employment will be only for the academic time and not for any 'holidays'. Providers are

not required to treat these times as 'breaks in learning' although they are technically not employed during these breaks.

Statement of Fitness for Work (Fit Note)

152. On 6 April 2010, the Medical Statement (sick note) changed to become a Statement of Fitness for Work (fit note).
153. To help more people get the support they need to get back to work the new fit note system means that doctors can advise that an employee is either:
 - unfit for work, or
 - may be fit for work.
154. A doctor will give a 'may be fit for work' Statement if they think that their patient's health condition may allow them to work if they get suitable support from their employer. If an employee is too ill to work the doctor will advise this.
155. This may mean that an apprentice returns to their employer but in a different role or a phased return resulting in less hours being worked (including less than the minimum 16 hours required for Apprenticeship participation). This may present an issue in returning to learning.
156. Providers must continue to treat this as a break in learning if the apprentice is unable to resume learning but has positively indicated that they wish to return to learning in the future. They must work with the apprentice and their employer in agreeing the best route to return to learning. This may involve a change to scheduling of aims, a different method of assessment or a delay in returning to learning.

Leaving Early

157. Providers must have a reliable system for identifying those at risk of leaving early, along with a strategy for involving employers and other agencies, as appropriate, to reduce the number of apprentices leaving early. If, despite the Provider's best efforts, apprentices are no longer making progress against their Learning Agreement, they must be offered alternative opportunities to pursue their original or revised learning objectives – either with the same Provider or with another Provider. An apprentice must be considered to have withdrawn from a programme when they have either:
 - known to have made a decision to withdraw from the programme
 - exceeded the Provider absence and withdrawal policy or have been dismissed by the Provider
 - cannot be contacted, despite repeated efforts by the Provider, for a period of four weeks after the last expected review, assessment and/or structured learning which did not take place.
158. The apprentice must be treated as withdrawn for whichever of the above occurs first. On leaving, the apprentice must receive a written notice of termination. Portfolios, coursework, the Learning Agreement

and all certificates are the property of the apprentice and must be returned to the apprentice. They may not be withheld for any reason, other than for assessment or verification by the Provider, without the apprentice's permission. Apprentices must be withdrawn on the last evidenced date of continued structured learning. Failure to make records available to leavers may result in recovery of funds paid by the Agency for the learning concerned.

159. The Provider must formally confirm that the apprentice has been terminated from their learning aims. This could either be in an exit interview or where the Provider writes to the apprentice at the last known address to inform them of this. The way in which this is done must be recorded and filed in the apprentice's records.

Completing an Apprenticeship

160. On completion of the separate aims of an Apprenticeship Framework, a Provider must apply for and give to the apprentice (if the certificate is sent to the Provider), within three months of achievement and application, the original copies of the learning aim certificates.
161. One of the changes introduced by the [Apprenticeships, Skills, Children and Learning Act 2009](#) is that an apprentice will be responsible for requesting from the Certifying Authority their Apprenticeship Completion Certificate. In practice, the Agency recognises that the Providers will do this on behalf of the apprentice. It must be noted that this authority cannot be given by the apprentice to the provider at the start or during the Apprenticeship as it must be done after all the components of the Apprenticeship Framework have been completed.
162. The date of achievement of a learning aim is the date on which the External Verification (EV) confirms achievement or for those Providers with direct claim status it is the date of the Internal Verification (IV). If achievement is through an externally marked exam then the date on which the formal results are received is the date of achievement.
163. The date of achievement of an Apprenticeship Framework is the date of application to the Certifying Authority for the Apprenticeship Completion Certificate.

Progression

164. It is expected that the majority of apprentices will progress from an Intermediate Level Apprenticeship to an Advanced Level Apprenticeship and/or a Higher Apprenticeship. The funding that applies to these progressional routes is determined by the age of the apprentice at the start of the subsequent Framework and not that at the start of the original learning.
165. For apprentices who have completed an Intermediate Level Apprenticeship it is not expected that will start another Intermediate

Level Apprenticeship in a related occupational area, as they are expected to progress to a higher level of Apprenticeship as their skills and competence grow. However, it is recognised that there are special circumstances where the apprentice's job role and the requirements of their employment is to be multi-skilled. The Provider must be able to demonstrate that a repeat Intermediate Level Apprenticeship is occupationally relevant and of material benefit to the apprentice. This does not apply to an apprentice where they have changed their occupation, for example, from retail to construction.

Apprenticeship Terms and Conditions

166. All employed apprentices are covered by the Minimum Wage Regulations.
167. Colleges and training organisations, employers and apprentices must seek their own legal advice on the National Minimum Wage. The Agency is not in a position to give such advice.
168. Further general details on the National Minimum Wage can be found on the [Direct.Gov](#) and [Business Link](#) websites.

Holidays and Accrued Authorised Absence

169. Employed apprentices are entitled to those holidays provided by their terms of employment. The [Working Time Directive](#) specifies the number of paid holiday per year as a minimum for employees.
170. It is not normally expected that apprentices will be given a holiday entitlement by their employer in excess of 12 weeks and therefore Providers will be able to abide by the rules on reviewing an apprentice's progress within a 12 week window. However, where employed apprentices are given an extended leave of absence this must be treated as a 'break in learning' and the procedure covering this must be followed.
171. Providers must ensure that they are aware of apprentices' holidays in order to comply with the review procedure. If apprentices undertake learning during their holiday it is expected that their employer would take this into account, for example time off in lieu for attendance at a Provider.
172. Every individual on the Access to Apprenticeship pathway or not employed (alternative completion status) is entitled to a minimum of paid holiday at the rate of two days for each completed calendar month from their start date of learning. This is in addition to any statutory public or bank holidays. An individual on Access to Apprenticeship or non-employed apprentice is not entitled to paid holiday accrued while non-employed once they become employed. Holidays cannot be purchased or sold by the Provider or individual.
173. All non-employed learners who need to attend their learning programme during bank and public holidays must receive time off at least equal to the time they attended on that bank or public holiday.

Where attendance is on an employer's premises the time-off in lieu must be equivalent to that of the employees of that employer.

Inappropriate Behaviour

174. Providers must not offer cash incentives to employers or apprentices to join Agency funded programmes.
175. The application of this principle is not always straightforward, and the particular circumstances of any payments by Providers to employers need to be considered. Many Providers have partnerships with employers where the employer provides premises or use of equipment for the training of their employees. In this situation payment for these services may be reasonable, either in cash or to offset an employer contribution to the costs of provision. However, where no service is provided by the employer, it is difficult to see the justification for payment, and the Agency would want to consider carefully the implications of this for the delivery of the service under contract.
176. Providers may have sources of income other than from the Agency, and the Agency is not in a position to constrain the use of this income. Nevertheless, it is expected that Agency funded Providers are mindful of the overall impact on the reputation of the Agency and the Provider network when promoting their services. Accordingly, Providers must not be using Agency funds to make payments to employers that may be regarded as inducements to secure business.
177. An incentive can be made to apprentices to encourage retention and achievement where appropriate. This is a common practice across the sector and takes many forms of which not all include cash payments. These must be clearly documented with the understanding by all parties why these payments are being made and when they would be made. However, the Agency does not see that 'signing up' or 'start' payments should be made to an apprentice or their employer under any circumstances.

State Aid

178. A [Technical Briefing Note](#) has been issued by the Agency and can be found on the Agency's website.

Joint Investment Programme (JIP)

179. Details on the Joint Investment Programme can be found in the [2011/12 Adult Skills Budget Funding Requirements](#).

Section 6 Additional Learning Support and Learner Support

180. Additional Learning Support (ALS) must not be claimed for apprentices on Higher Apprenticeships. For an Advanced apprentice ALS can only be claimed for learners where there is evidence that they have a specific learning difficulty such as dyslexia.
181. Providers are required to ensure that appropriate support is given to an apprentice to meet their identified ALS needs. Where an apprentice is receiving support from a personal adviser during the course of their learning programme, the additional learning and support plan designated to address the apprentice's needs must be shared with them. ALS funding is provided to meet the costs of additional support delivered as a result of the assessment of the apprentice.
182. The input from personal advisers remains vital, and Providers must maintain their working relationship with them and focus on the needs of the apprentice rather than on the endorsement form. It is also essential that Providers build on and do not duplicate assessments carried out by the personal advisers. Personal advisers will want to be involved with apprentices on their caseload, and Providers must not restrict their access to apprentices. The practice of three-way case conferences between Providers, personal advisers and apprentices is still viewed as good practice and must continue where it is established.
183. In outline, the guidance on ALS is set out in the following points:
- Providers are required to document their arrangements for the identification of those with Additional Learning Support, the planning of learning and support to meet those needs and progress review arrangements. These records are to be available on request
 - Providers must develop and implement an ALS plan for each apprentice for whom they claim ALS. This may be integrated in the apprentice's Learning Agreement. Providers will need to have evidence of the ALS they have given to each apprentice in respect of whom a claim for ALS has been made
 - The focus of audit will be on naturally-occurring evidence generated by the Provider's process.
184. Providers are reminded that although the monthly ALS payments are not subject to reconciliation to costs, they must reflect directly incurred overall costs. The ability to fund is not necessarily a right to Agency funding.

Definitions

185. There are three categories of ALS that are funded by the Agency. These are:

- Additional Learning Needs (ALN) – needs related to the apprentice’s intrinsic ability
 - Additional Social Needs (ASN) – needs related to emotional, behavioural or motivational difficulties
 - both ALN and ASN.
186. In addition to making funding available for these categories, the Agency will meet exceptional costs that are likely to exceed the notified threshold, when calculated using estimated costs, over the full length of the programme. Provision of specialist support and equipment for apprentices with disabilities will also be met from Exceptional Learning Support (ELS).
187. Funding is made available to Providers to support additional activity with apprentices where they are assessed as being below Level 1 literacy and/or numeracy. It must not be used as additional funding for apprentices on Key/Functional Skills where no additional support is required.

Assessment for Additional Learning Needs in Apprenticeships

188. Personal advisers will have collected information on an apprentice’s educational history and will also have information on particular areas of their skills levels. This information will help the personal adviser make the initial judgement as to whether the apprentice does or does not have ALN. In some cases, the personal adviser may also have access to previous detailed assessments of the apprentice’s basic or Functional/Key Skills levels, for example if the apprentice has had a statement of special educational needs at school. If this is the case and the apprentice agrees, the personal adviser should share this information with the Provider.
189. If sufficient information is not available on the apprentice’s literacy and numeracy skills levels to make a judgement, or if what is available is out of date (over two years old), the Provider must carry out a second, more detailed literacy and numeracy assessment using tools that are identified by the publisher as being based on the Adult Literacy and Numeracy Standards 2000 or the Functional Skills standards. This process will identify the apprentice’s current level of literacy and numeracy.
190. Where the initial assessment reveals a literacy and numeracy skills level below Level 1 in literacy or numeracy against the Adult Literacy and Numeracy Standards 2000 or the Functional Skills standards, this confirms the need for ALN support. For learners following and Advanced Level Apprenticeship there will need to be additional evidence of a specific learning difficulty.
191. Some apprentices will enter Apprenticeships having already achieved a Level 1 or Level 2 Functional/Key Skills external assessment examination standard by proxy. It is necessary to treat each group separately:

- Entry with a Level 2 proxy: Apprentices entering Apprenticeships with a Level 2 proxy learning aim, for example an apprentice with a General Certificate of Secondary Education (GCSE) in English at grade C or higher (for Communications), would not normally qualify for ALN support unless there were special circumstances, for example severe dyslexia. An assessment for this purpose is therefore not required
 - Entry with a Level 1 proxy: Apprentices entering Apprenticeships with a Level 1 proxy learning aim may have GCSE grades D–G in English, Mathematics or IT. Although these are technically Level 1 proxies, it does not mean that the apprentice does not have a learning need, nor does it mean that they will not need substantial support to complete the programme successfully. Where the personal adviser or Provider staff believe additional support may be needed, apprentices in this group should complete the initial assessment. Where the results indicate a need (as above), the ALN support can be accessed.
192. The assessment of the likely competency learning aim achievement level is separate from the literacy and numeracy initial assessment. This is a matter of professional judgement on the part of the Provider and the personal adviser. In order to decide which level the apprentice is to work towards, all aspects of the initial assessment process, of which the literacy and numeracy part is only one element, should be used by the Provider.
193. The Agency expects Providers assessing literacy and numeracy needs to follow good practice guidance as outlined in the [*Delivering Skills for Life: Fact Sheet 13 – Initial Assessment for Skills for Life including delivery in Train to Gain*](#), which is available on the Agency website.
194. The Agency also recognises that some apprentices have ALN that are over and above those of literacy and numeracy and relate to other needs. The literacy and numeracy assessment will provide evidence of the need for ALN status in the majority of cases. However, there may be cases where the results do not produce the evidence to warrant the allocation of ALN funding. In such instances it is the Provider’s responsibility to demonstrate that, despite the initial assessment not indicating a need, they have other evidence that confirms there is a need for ALN support.

Assessment for Additional Social Needs
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195. The Assessment, Planning, Implementation and Review (APIR) Framework covers a wide range of barriers to learning, including social support needs. This means that personal advisers are likely to have gathered assessment information that would help to identify whether an apprentice has ASN. Again, if the apprentice agrees, the personal adviser must share this information with the Provider to avoid the need for further assessment in these areas.

196. The assessment process used by Providers must consider an apprentice's social support needs. Providers must use a process that identifies the barriers to learning. If there is clear evidence that the apprentice has needs relating to 2 or more of the 10 barriers listed below, then the apprentice qualifies for ASN. The 10 barriers are:
- recent or current offending behaviour
 - poor or erratic attendance during the last year of education, exclusion from school or no record of school
 - an unsupportive or unsupported home environment
 - significant problems with confidence or self-esteem
 - significant problems with motivation or attendance (on a programme)
 - attitude or behaviour problems
 - drug or alcohol problems
 - health problems (including mental health and phobias)
 - significant problems with communication and interaction
 - single parents with particular difficulties finding time to learn.
197. In special circumstances where it is clear that one of these barriers is great enough to be a major obstacle to learning, this will be enough to trigger the ASN support.
198. The apprentice's extra social support requirements would not normally affect the level of programme they must follow.

Further Guidance on Assessing Additional Social Needs

199. These requirements aim to help the Provider and personal adviser with arrangements for assessing ASN. This is not, however, meant to provide a definitive set of guidelines for identifying individuals with ASN. It must not be used as a rigid tool so that ASN is defined so tightly that it rules out individuals who must receive additional support from the Agency.
200. An apprentice is likely to need a minimum of one lengthy, in-depth (one-to-one) interview with a skilled interviewer to identify ASN. Where the apprentice has been referred by an external organisation, there will also be opportunities for research and investigation. In some cases, it is appropriate for the apprentice to be accompanied to the first interview by a case worker or someone who knows them well and can support them in a discussion of their needs, but this must be followed up with a private interview.

Recent or Current Offending Behaviour

201. The apprentice must be known to the criminal justice system and be considered by others or themselves to be at risk of re-offending, or still be offending. Where offending behaviour appears to have come to an end and there is no record of further problems, these criteria must apply only if the original offence is still affecting the apprentice's life. This could include serious offences that make it more difficult for

them to gain employment, or to access learning without additional supervision and support.

Poor or Erratic Attendance in Education

202. This may be evidenced from the school records or by the apprentice themselves when school records are incomplete or unavailable. It includes all those who missed regular full-time schooling, whether this was as a result of behavioural problems such as bullying, moving around the country or truancy and so on. In the case of a conflict between school records and the evidence of the apprentice, greater weight must be given to the testimony of the apprentice. Evidence from parents, guardians or professionals may also be used as required. Individuals who have been tutored at home or who have attended alternative education programmes, which are often part-time and have reduced attendance requirements, may also be included.

Unsupportive or Unsupported Home Environment

203. The following must be considered:

- all individuals aged 16-18 who are living independently (whether they are care leavers or have left home for other reasons)
- those living in temporary accommodation or of no fixed abode must be automatically included
- those who are carers who have no other substantial support
- those living away from the family home with other members of the family, as this may indicate conflict or other problems.

204. For individuals who have been in care for short periods of time, their home circumstances and the impact that this has had upon them must be evaluated.

205. Evidence may be available from support workers, but information from the apprentice must also be acceptable where substantial problems have been identified. Examples of this may include:

- where families are in crisis or unable to cope
- where there are dependency problems within the family
- where changes to the composition of the family have brought individuals into conflict, for example with a new partner of a parent or carer
- where the apprentice is used to care for siblings to the detriment of their programme
- where the apprentice comes from a culture of entrenched unemployment that affects their commitment to learning.

Significant Problems with Confidence or Self-esteem

206. While everyone lacks confidence in some situations, individuals with significant problems are likely to demonstrate high levels of anxiety about doing anything new, and may dwell on their failures rather than their successes, feeling unable to take even small risks. They will be

either withdrawn and uncommunicative or extremely disruptive in their attempts to avoid failure. They will probably have unrealistic expectations of what they must achieve, and so attempt little because of this fear. Individuals with low self-esteem may show extremes of behaviour, such as aggression and bullying, or they may avoid contact with others.

207. Further indicators include the way that individuals present themselves. For example, they may have poor personal hygiene, be unkempt or even threatening in their appearance. Individuals with low self-esteem are likely to feel rejected, and will therefore be unable to feel positive about themselves.

Significant Problems with Motivation or Attendance

208. Individuals who can be shown to have received a thorough initial assessment and to have received support to identify and address any underlying problems, but who still demonstrate significant problems with motivation and attendance, must be considered. This may be a continuation of school patterns. The Provider must also consider and address any difference in patterns emerging from attendance at the workplace and in-house learning. The work that the Provider undertakes to address the problems may reveal the need for a structured and more intensive programme of support.

Attitude or Behaviour Problems

209. This includes Individuals whose attitude or behaviour problems mean that they are likely to need a high level of supervision and additional support to make the transition to the workplace, or a high level of support and supervision in the workplace. Evidence for this may be available from those supporting the apprentice when they join the programme or from school records, but individuals must also be given the opportunity to make a fresh start where this does not endanger themselves or others. Those who might be considered to be at risk may be expected to have undergone a risk assessment, and this will be acceptable evidence for this criterion. Alternatively, the Provider must have evidence that has been generated during the programme. Evidence must show the involvement of more than one member of staff, and that the apprentice has been fully involved in addressing the problems. Where an apprentice has lost a placement, this must be shown to be as a result of their poor attitude or behaviour. Evidence may include records of the support the Provider has given the apprentice, corroborated by the employer. It will be important to show that the problems were not caused by inappropriate placing or a personality clash.

Drug or Alcohol Problems

210. This does not include those who could be considered to be recreational users, where their use of drugs, alcohol or other substances does not impact upon their programme in any way. Evidence for drug or alcohol problems will usually come from their

timekeeping, concentration, behaviour and so on. While some individuals may be accessing support, the majority will not and may not even have accepted that they have a problem. It will be important to build trust to facilitate these discussions. In the most severe cases, where individuals need and are prepared to undertake rehabilitation, it may mean that a more flexible programme must be considered.

Health Problems

211. It is important to clarify the difference between health problems that can be addressed by the provision of specialist equipment and those problems that require higher levels of support to ensure that the apprentice is able to make the most of their learning. It is likely that only a small percentage of individuals will have seen an educational psychologist or have been statemented at school. A higher percentage will have undiagnosed problems leading to behaviours that will mean that some of these individuals may be assessed under other categories. Individuals are often reluctant to admit to mental health problems because of the stigma attached to them. An apprentice with a phobia will have intense symptoms of anxiety, but these fears will arise only in the particular situations that frighten them. A phobia is likely to lead to the apprentice avoiding situations that they know will cause them anxiety. In the worst cases, their life will be dominated by the precautions they have to take to avoid the situation they fear. Support may be required to help them to face any issues that impact upon their programme and to seek medical help where appropriate.

Significant Problems with Communication and Interaction

212. An apprentice with significant problems with communication and interaction will usually be identifiable from the first interview. Individuals may have problems communicating with all age groups, or with specific groups. For example, some individuals have particular difficulty in communicating with adults, or those who may be perceived as being in authority. They may also interact inappropriately in certain situations. These individuals may have difficulty in listening to what others are saying and in reading other people's facial cues and body language. Some individuals will talk very quietly, avoid eye contact, and display an inability to hold a normal conversation and reluctance or inability to ask questions – they are often termed as being extremely shy. Others may be unable to hold a normal conversation without shouting or being overly demanding. They may tend to invade other people's personal space, and appear to be aggressive. In group situations, individuals meeting these criteria may be at either end of the continuum, being either extremely withdrawn or disruptive. In the workplace, individuals with communication problems will find it hard to build working relationships and to develop the support that they need in order to learn. In some cases this may affect their ability to work safely. This may also apply to individuals with language difficulties or those who speak English as a second language. However, those individuals

who have significant issues with the English language must be directed to appropriate ESOL provision before commencing an Apprenticeship.

Single Parents with Particular Difficulties Finding Time to Learn

213. This includes individuals who are solely responsible for the support of one or more children, and pregnant young women who are without the support of a partner. These individuals would be unlikely to access learning provision. They are likely to have had a disrupted or possibly unsuccessful experience of school.

Meeting and Reviewing Identified Needs

214. Having identified ALN or ASN, the Provider must plan and deliver a programme of activity designed to address the apprentice's needs. In the case of ALN, this must include addressing literacy and numeracy skills needs where these affect the apprentice's ability to achieve their primary learning goal.
215. It is the Provider's responsibility to be able to demonstrate how the outcomes of the assessment process have informed the development of an appropriate ALS plan for each apprentice. The Agency does not intend to produce a standard format for this, as Providers may prefer to produce a learning journey-type document that integrates ALS into the Learning Agreement or develop a stand-alone plan. As a minimum requirement, however, they will need to detail:
- the nature of support to be provided to meet the identified needs
 - when support will be provided and by whom
 - the time period covered by the plan
 - the apprentice's confirmation of the plan
 - what support for the apprentice has been provided above and beyond what would be provided for an apprentice without ALN or ASN.
216. Where an apprentice is identified as having ALN or ALS status and is being supported by a personal adviser during the course of their learning programme, the apprentice's ALS plan must be shared with the personal adviser as a matter of effective practice.
217. All apprentices require a review at least once every 12 weeks and an ALS needs assessment must be integrated into this process. The frequency with which apprentices with ALS are formally reviewed will depend upon the needs of the individual apprentice. It is envisaged that, for many apprentices, the interval will be less than 12 weeks. The apprentice's progress will be reviewed in accordance with their plan, the effectiveness of the support will be evaluated and a forward support plan developed at each review.
218. The Agency accepts no responsibility to pay any ALS above the Provider's allocation, regardless of the number of apprentices identified.

Funding

219. There is a threshold of £171, below which the Agency will not consider claims as Providers are expected to manage their budgets to provide Additional Learning Support for all apprentices below this figure.
220. Where an apprentice is assessed as requiring support due to ALN or ASN or both, the Agency will fund activity on top of the monthly payment for each month the apprentice stays in learning between the learner's start date and the planned end date, providing the following conditions are met:
- The assessment has been conducted in line with these requirements
 - The Provider holds evidence of the assessment of the needs
 - A planned programme of additional support is included in the apprentice's Learning Agreement
 - The programme of activity is being delivered and evidenced
 - The arrangements are reviewed a minimum of once every 12 weeks.
221. Where the ALN and/or ASN status is recognised after the start date or ceases before the planned end date, Providers are required to close the current learning aim to which ALN and/or ASN is or is not attached and to open a new aim. The percentage of funding remaining for the apprentice is to be calculated and entered on to the ILR in field Proportion of Funding Remaining. Full details on this procedure can be found in the [ILR Provider Support Manual](#).

Dyslexia and Dyscalculia

222. An apprentice identified as suffering from Dyslexia or Dyscalculia may not be identified using Basic Skills tests and assessments. Although these apprentices may have difficulties with literacy and numeracy, they are often highly talented in other areas of life.
223. Where through recognised diagnostic assessment it is identified that the apprentice has issues with dyslexia or dyscalculia and as a direct result requires further support with an aim within their Framework then Additional Learning Support may be claimed. The apprentice does not have to be assessed as either at or below Level 1 in Literacy and/or Numeracy. In common with literacy and numeracy support the Provider will need to evidence that additional support is being delivered.

Funding

224. The 2011/12 rates for ALN and/or ASN are:
- apprentices with either ALN or ASN: £150.00 per month if aged 16 - 18 at start, or £122.00 per month if aged 19 or over at start

- apprentices with both ALN and ASN: £225.00 per month if aged 16 - 18 at start, or £184.00 per month if aged 19 or over at start.

Exceptional Learning Support

225. It is recognised that certain apprentices, who have been diagnostically assessed, need additional support from their Provider to access or continue in learning, but the payment of a monthly fee through ALS is deemed inappropriate. In the majority of cases this is because the apprentice only needs support for a short of amount of time and the costs are greater than a monthly payment would fund. In the past this has been dealt with by Providers spreading the support artificially over a series of months, the apprentice being denied the support that they require or the apprentice being refused training.
226. Providers can claim for Brief Episode Exceptional Learning Support (ELS) costs where this is appropriate. In determining whether ELS must be used the Provider must estimate the total overall costs and the length of time over which the support will be provided. The maximum length of time that ELS will fund brief episodes support costs is 3 months.
227. Where the total costs of Brief Episode ELS, excluding any assessment costs is in excess of £1,000 then the Provider must seek written permission from their Agency Account Manager. The Provider must supply the following information to their Agency Account Manager:
- unique Learner Number (ULN)
 - type of learning – Apprenticeship level
 - start date
 - planned end date
 - type of support – what support is being funded
 - cost of support
 - any further information that the Provider feels is necessary.
228. The Agency will not fund the cost of assessment and it must not be included in any claim for funding.
229. Providers must be mindful of the security of personal data. It is recognised that an apprentice's support needs will be varied and specific to that individual. Therefore the type of support required will also be. Providers will not, in the majority of cases, be expected to provide detailed information about an apprentice in order to justify asking for approval. The Agency will not use the information to judge each case on its merits, but will use the information supplied in order to aid planning for future years. The Agency will, other than in exceptional cases, approve all requests for support subject to budget constraints.
230. It is the responsibility of the Provider to manage funds within their allocation and Maximum Contract Value (MCV). The Agency will endeavour to ensure that apprentices are fully supported in their aims

but the recognition or approval of a support need does not on its own guarantee that funding will be made available. Where a Provider has anticipated that the funds required are in excess of their allocation and MCV the Provider must speak to their Agency Account Manager as soon as possible.

ALS Top Up

231. The ability to 'top-up' ALS monthly payments will continue as in previous years. This is where the monthly ALS payments are insufficient to meet the support needs of an individual or that support is needed over more than 3 months but is greater than the monthly payments. With the removal of the £5,500 threshold in 2010/11 this has become less bureaucratic and simpler. In order to calculate the amount to be claimed the Provider estimates the total costs of support over the planned length of stay. This value is then divided by the number of census points that will generate a monthly instalment. The value of ELS to claim is this amount less the ALS monthly payment.

For example, a 16-18 apprentice is estimated to have support costs of £10,000 over a planned length of stay of 24 months. This accounts for £416.67 per month. The Provider will receive £225 per month based on the apprentice's age and needs. The amount of ELS to be claimed on the Training Provider Statement (TPS) is £191.67 per month.

232. It may also be used where learning continues past the planned end date and the learner still requires additional support. Providers must take into account the amount of funding already received compared to the level of actual support given up to that point before Exceptional Learning Support is claimed.

£171 Threshold

233. Where an apprentices support costs are £171 or less in total it is expected that the costs of providing support must come from participation funding.

Assessment

234. The costs of diagnostic assessment for an apprentice's support needs will not be funded from ALS or ELS. Providers must ensure that claims for ELS do not include any costs relating to assessment. The costs of diagnostic assessment must come from participation funding and must form part of the initial assessment process.

235. The initial and diagnostic assessment of an apprentice's literacy, language and numeracy needs will determine the appropriate level of learning aim and support required to meet those needs and help the apprentice improve their skills and achieve their learning aim. Providers must only use initial and diagnostic assessment tools that are mapped to the national literacy and numeracy or Functional Skills

standards. The results of which place an apprentice's current skills within the NQF/QCF levels. For example the Agency requires robust tools that state if an apprentice's current skills are at Entry Level 1, Entry Level 2, Entry Level 3, Level 1 or Level 2. Tools that only state an apprentice is below a certain level, e.g. below Level 1, are less robust and not appropriate

Process

236. Claims for ELS are made through the TPS and are subject to the value of allocation and MCV. Guidance on the TPS can be found on the [Information Authority](#) website. Claims for ALS are made through the ILR by indicating supports needs in ILR field Learning and Delivery Funding and Monitoring (FAM) Fields ALN and ASN.

Disputes

237. It is for Providers and personal advisers to work together to resolve disputes by putting the apprentice first. Whether or not support is needed and/or appropriate will, to a large extent, depend on the apprentice's view and their willingness to accept support. Where disputes cannot be resolved, Providers must speak to their Agency Account Manager.

Audit Evidence

238. Providers must retain evidence of the assessments and evidence that supports all ALS claimed from the Agency.

Learner Support

239. The funding of Learner Support is subject to budgetary constraints.

Expenses

240. An apprentice must not contribute towards the cost of learning. It is expected that employed apprentices, where they are required to attend 'off-the-job' learning, will have their expenses paid for by their employer.
241. The Provider must ensure that non-employed apprentices have reasonable expenses met in full where these are needed to overcome barriers to learning. These may include the costs of:
- travelling to or from the place of learning or work placement
 - personal protective equipment that employees would normally be expected to supply themselves
 - medical treatment (for example, inoculations)
 - residential accommodation where it is necessary as part of learning.

The above list is not seen as a checklist but of examples that could be funded.

242. Providers must contact their Agency Account Manager if there is doubt about whether certain types of expenses could be reimbursed by the Agency. It is not expected that an apprentice's meals would be paid for or reimbursed to the apprentice.
243. Employers and Providers must take account of apprentices' likely transport arrangements when planning off-the-job training.
244. The costs of expenses for apprentices met by the Agency are claimed on the TPS in arrears. All costs incurred must be claimed during the funding year in which they are incurred. The Agency will not refund claims to Providers which were paid to apprentices in previous funding years and not claimed within the prescribed time scales.

Section 7 Sub-contracting Requirements

245. Before an organisation can receive funding from the Agency there must be a funding agreement in place. This agreement sets out the terms and conditions on which the Chief Executive is providing funding to that organisation. With the impact of the Minimum Contract Levels (MCL) there can be two ways in which Providers can have a direct legal relationship with the Chief Executive:
- as a single legal entity (college, private or public organisation or a sole trader)
 - with other legal entities on a joint and several basis.
246. The definition of a Lead Provider is the organisation or organisations (on a joint and several basis) that have a direct legal relationship with the Chief Executive either through a contract or other funding agreement.
247. The definition of a sub-contractor is any organisation that is not a Lead Provider and receives funds from the Chief Executive via one or more of the Lead Providers under a contract with a Lead Provider.
248. Lead Providers are solely responsible for the delivery of their contract/s whether or not they are delivered via a sub-contracting arrangement.
249. Sub-contracting significant levels of provision is associated with higher levels of risk. This is the case irrespective of whether the sub-contractor is one of the Lead Provider's own subsidiary companies, a joint venture company or an organisation that is independent of the Lead Provider. Higher levels of risk are also associated with significant levels of provision being delivered away from the Lead Provider's main site/s or outside its normal recruitment.

Responsibility and Limits of Sub-contracted Provision

250. The Lead Provider retains ultimate responsibility for all aspects of the provision that it has contracted with the Chief Executive to deliver, including any elements that it chooses to sub-contract. The Lead Provider must have a legally binding contract with each and all of its sub-contractors.
251. All Lead Providers and sub-contractors are required to be registered on the UK Register of Learning Providers (UKRLP).

Second Level or Further Sub-contracting

252. Second level or further sub-contracting is not permitted, unless the following requirements have been fully met to the satisfaction of the Chief Executive.

253. Any second level sub-contracting (that is, where the sub-contractor further sub-contracts to another legal entity) must be declared by Lead Providers on the Declaration of Sub-contractors form and further information will be requested prior to approval being made. Second level sub-contracting will only be allowed with express consent by the Chief Executive and then only in exceptional circumstances.
254. Responsibility for declaring and seeking consent for all second level sub-contracting rests with the Lead Provider.
255. Any Lead Providers that wish to enter into any third level sub-contracting should contact their Agency Account Manager. The Chief Executive will only consider requests in exceptional circumstances. The Chief Executive will expect any such requests to take account of value for money ensuring that most of the funding is used for delivery.

Sub-contractors Submitting to ACTOR

256. The requirement for all sub-contractors to be registered on ACTOR is under consideration.
257. The Declaration of sub-contractors form replaces Annex I: ILR Partner-provider details from LSC Funding Guidance 2008/09: ILR Funding Claims and Audit Returns (LSC, September 2008).
258. All Lead Providers are required as part of their contract to notify the Chief Executive via their Agency Account Manager if there is a significant change to the amount and/or nature of any sub-contracted provision from that already notified to the Chief Executive. This is particularly important in the cases of:
- termination of contract (due to irregularities)
 - addition or removal of a sub-contractor
 - where the proportion of sub-contracting significantly increases
 - where the proportion of sub-contracting decreases
 - insolvency or administration of the sub-contractor
 - the sub-contractor being graded inadequate by Ofsted in any category relating to the organisation as a whole or received an inadequate grade in any sector-subject area/s containing subcontracted provision.
259. Under these circumstances the Lead Provider must inform the Chief Executive within ten working days of the initial notification detailing the action it is taking to protect the learners accessing programmes and/or provision through the sub-contractor.
260. Lead Providers must also complete the section on sub-contracting in their annual self-declaration on the Financial Management and Control Evaluation.

261. If there is any evidence of current or historic irregular financial or delivery activity with any of the sub-contractors that a Lead Provider is engaged with, it is the responsibility of the Lead Provider to undertake an investigation at their own cost and carry out any follow up actions, and this must be reported to their Agency Account Manager. Irregular financial or delivery activity could include but is not restricted to:
- substantiated non-delivery of training when funds have been paid
 - sanctions imposed on the sub-contractor by the awarding organisations
 - inadequate grade for the sub-contractor by Ofsted
 - serious complaints and/or allegations by individuals working for the sub-contractor and/or learners and/or other relevant parties.
262. The Chief Executive may require such an investigation to be commissioned at the Lead Provider's own cost and to the Chief Executive's satisfaction.

Distribution of Income between Lead Providers and Sub-contractors

263. The Chief Executive has a statutory duty to make best use of his resources when securing the provision of education and training, and therefore expects that the funding he provides is used for the benefit of the learner on their learning programme or provision. As such the amount of funding retained by Lead Providers for programmes and provision delivered in whole or in part by a sub-contractor must represent good value for money and reflect the actual costs incurred by each party in the delivery of the provision. It is unlikely that, for most programmes and types of provision, direct delivery costs would be less than 85% of the full participation funding earned by the Lead Provider for the programme. For those co-funded learners at sub-contractors, the Lead Provider retains the responsibility for ensuring that the learner and/or employer contribution is collected.
264. The Chief Executive will monitor the payments to sub-contractors to ensure that sub-contracting represents good value for money and that there is sufficient funding being allocated for the delivery of high quality education and training.

Due Diligence Process for Proposed Sub-contractors

265. It is the responsibility of the Lead Provider to satisfy itself that the sub-contractor has been selected fairly and has the sufficient capacity, capability, quality and business standing to deliver the provision that is being subcontracted.
266. Lead Providers are to undertake their own due diligence.
267. The Chief Executive reserves the right to ask Lead Providers for additional evidence in support of its due diligence process.

268. The Chief Executive does not prescribe a recommended contract template for sub-contracts. It is a matter for the Lead Provider to take its own advice on the form of the sub-contract it enters into. However information is available from:

- the Office of Government Commerce – providing model terms and conditions of contract for services on its website
- the Learning and Skills Improvement Service’s Excellence Gateway – has guidance and best practice examples on sub-contract agreements and sub-contracting.

Mandatory Terms for Inclusion in the Lead Providers’ Sub-contractors Contractual Documentation
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269. All Lead Providers must ensure that their contracts with their sub-contractors include the following clauses:

- sub-contractors must comply with the Chief Executive’s Funding Requirements
- if there is any evidence of current or historic irregular financial or delivery activity the sub-contractor must inform the Lead Provider. Irregular financial or delivery activity could include but is not restricted to:
 - Substantiated non-delivery of training when funds have been paid
 - Sanctions imposed on the sub-contractor by the awarding organisations
 - Inadequate grade for the sub-contractor by Ofsted
 - Serious complaints and/or allegations by individuals working for the sub-contractor and/or learners and/or other relevant parties.
- sub-contractors may not use the funding from the Chief Executive to make bids or claims from any European source of funding on its own behalf or on behalf of the Chief Executive without obtaining consent in writing from the Chief Executive that it may do so (such consent not to be unreasonably withheld)
- sub-contractors do not hold the right to use payments made under the Contract as match funding for European Social Fund Co-Financing Projects
- sub-contractor’s contracts must include the clauses relating to ESF that exist in the Lead Provider’s contract with the Chief Executive, even if the provision is not funded by ESF
- sub-contractors may not further subcontract provision (second level sub-contracting) to other organisations without the consent of the Chief Executive via their Lead Provider in advance of entering into any arrangements
- sub-contractors must allow the Chief Executive, his staff and any other person nominated by him access to its premises and all documentation related to the delivery of provision funded by the Chief Executive

- all new sub-contract contracts from 25 March 2010 must include reference to pay the valid invoices of their sub-contractors within 30 days of the invoice date⁶. The contract should explicitly state the basis for payments and the evidence required in order to support those payments. These should align with the Chief Executive's requirements otherwise the Lead Provider may find itself contractually obliged to pay a sub-contractor, but unable to claim funding from the Chief Executive. Payment to a sub-contractor does not oblige the Chief Executive to pay the Lead Provider
- a clause imposing a requirement on the sub-contractor to ensure continuity of learning in the event that the subcontract is terminated for any reason
- sub-contractors must submit the data required by the Chief Executive on a timely basis. Sub-contractors need to supply the Lead Providers with sufficient evidence to allow the Lead Provider to adequately assess the performance of their sub-contractors against the Common Inspection Framework. It is expected that this evidence is included in the Lead Provider's self assessment report and contributes to the judgements and grades therein
- sub-contractors must have suitably qualified staff to deliver the provision
- sub-contractors must comply with the appropriate retention of documentation
- the Lead Provider must ensure that it has clauses in its sub-contracts to enable it to monitoring the activities of the sub-contractor, exercising control over, and making appropriate arrangements for, the quality assurance of all provision. Where the sub-contractor is also the approved assessment centre for the learning aims it delivers, the Chief Executive expects that the sub-contract will entitle the Lead Provider to receive copies of all reports by the centre's awarding organisations. These could include, but are not restricted to, External Verifier reports relating to sub-contracted learners and/or the programmes and provision on which they are registered with the awarding organisations.

⁶ This is to ensure compliance with the mandatory requirements set out in Procurement Policy Note – Requirement to include 30-day payment clause in new contracts – *Action Note 07/10, 25 March 2010 (Office of Government Commerce)*

Section 8 Area Costs Uplift by Region

A full list of postcode and Area-costs uplift can be found on the Data Service website.

London A 1.20	London B 1.12
Camden	Barking and Dagenham
Greenwich	Bexley
Islington	Havering
Kensington and Chelsea	Redbridge
Lambeth	Barnet
Southwark	Enfield
Westminster	Waltham Forest
Wandsworth	Bromley
Hackney	Croydon
Tower Hamlets	Kingston upon Thames
Lewisham	Merton
Newham	Richmond upon Thames
Haringey	Sutton
Hammersmith	Brent
Fulham	Ealing
Hillingdon	Harrow
	Hounslow

Bedfordshire and Hertfordshire Non-fringe 1.03

Bedfordshire County Council	North Hertfordshire	Stevenage
Bedford	South Bedfordshire	Luton
Mid-Bedfordshire		

Berkshire, Surrey and West Sussex Fringe 1.12

Surrey County Council	Runnymede	Reigate and Banstead
Bracknell Forest	Slough	Tandridge
Crawley	Spelthorne	Waverley
Elmbridge	Surrey Heath	Windsor and Maidenhead
Epsom and Ewell	Woking	Mole Valley
Guildford		

Berkshire Non-fringe 1.12

Reading	Wokingham	West Berkshire
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Buckinghamshire Non-fringe 1.07

Aylesbury Vale	Milton Keynes	Wycombe
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Hampshire and Isle of Wight 1.02

Basingstoke and Deane	Isle of Wight	Portsmouth
East Hampshire	New Forest	Rushmoor
Eastleigh	Fareham	Winchester
Gosport	Southampton	Hart
Hampshire County Council	Test Valley	Havant

Cambridgeshire – 1.02

Cambridge	Huntingdonshire	South Cambridgeshire
East Cambridgeshire	Peterborough	Fenland

Hertfordshire and Buckinghamshire Fringe 1.10		
Broxbourne	South Buckinghamshire	Watford
Chiltern	St Albans	Welwyn Hatfield
Dacorum	Three Rivers	East Hertfordshire
Hertsmere		
Kent and Essex Fringe 1.06		
Basildon	Harlow	Thurrock
Brentwood	Sevenoaks	Dartford
Epping Forest		
Oxfordshire 1.07		
Oxfordshire County Council	West Oxfordshire	Vale of White Horse
Cherwell	Oxford	South Oxfordshire
West Sussex Non-fringe 1.01		
Adur	Arun	Worthing
Chichester	Horsham	Mid-Sussex

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Published July 2011

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Skills Funding Agency: 0845 377 5000

Publication Reference: SkillsFundingAgency-P-110099