

# Funding Rules 2013/2014

Version 1

This document sets out the rules for funding and associated evidence requirements for the funding year 2013/14 effective from 1 August 2013.

This puts the rules for funding in one place and combines the evidence needed to support them.

**January 2013**

Of interest to providers and employers



**European Union**  
**European Social Fund**  
Investing in jobs and skills

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## Introduction

This document sets out the funding rules for the funding year 2013/2014. The rules form part of the terms and conditions of the funding agreements and the 24+ Advanced Learning Loans Facility Conditions between the Chief Executive of Skills Funding and all providers of education and training who receive funding from the Chief Executive of Skills or a 24+ Advanced Learning Loan (Loan) Facility.

The Chief Executive of Skills Funding (the Chief Executive) is a statutory post established by the Apprenticeships, Skills, Children and Learning (ASCL) Act 2009 and is the legal entity (the organisation legally entitled to enter into contracts) which enters into funding agreements with providers of education and training.

The terms 'we' and 'Skills Funding Agency' refer to the Chief Executive of Skills Funding and her staff.

When we refer to 'you' or 'providers', this includes colleges, training organisations, local authorities and employers who receive funding from us, or through a Loan Facility, to deliver education and training. We will use the individual type of provider if the requirements apply only to that specific type of provider.

The funding rules and the funding agreement or the 24+ Advanced Learning Loans Facility Conditions contain the full set of requirements which you as a provider must meet.

We may update the funding rules from time to time but the aim is to publish the rules once a year and to avoid making changes during the year (if possible).

We use the term 'funding agreement' to include the financial memorandum, contract for services, conditions of funding grant and the 24+ Advanced Learning Loans Facility Conditions between the Chief Executive of Skills Funding and all providers.

We use the term 'learner' to cover all those who receive education or training we have funded, either directly from the Chief Executive or through a Loan.

## Section 1 - General funding rules for 2013/2014

### Principles of funding

The rules in this document provide the requirements for providers to make sure public funding is protected in a proportionate way. You must operate within the terms and conditions of the funding agreement and the funding rules. If you break these funding rules you are in breach of (have broken) the funding agreement with the Chief Executive. We will take action as set out in the funding agreement.

This section sets out the principles behind the funding rules that apply to all learning and skills provision which we have funded or which has been funded through a Loan.

We will review whether the education and training you provide represents good value for money. If we consider that the funding we have provided is significantly more than the cost of the education and training, we may, after consulting you, reduce the amount of funding we pay you.

(Education and training provided by the Offender Learning and Skills Service (OLASS) follows the same principles as shown in this document. Specific funding rules for OLASS are available on our [website](#).)

1. We will put a new simplified funding system in place in 2013/2014. You can find more details on the new funding method and how it will be applied in the supporting document which is available on our [website](#).
2. You must only claim funding for learners assessed as eligible for funding as shown in these rules. The detailed eligibility criteria are set out in Annex 1.
3. To be eligible to be funded by us, on the first day of learning a learner must be:
  - 3.1. aged 19 or older on 31 August within the funding year in question (if the learning aim is not an Apprenticeship), or
  - 3.2. aged 15 or older and have left compulsory education (if the learning aim is an Apprenticeship). The apprentice cannot start until after the last Friday in June in the academic year in which they have their 16th birthday.

(See note 1 below.)

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Note 1: This does not apply if the learner is eligible under specific funding rules associated with the European Social Fund (ESF) and Community Learning programmes.

4. You must check the eligibility of the learner at the start of each learning aim or programme. Once confirmed as eligible, the learner status for that learning aim will not change for the length of that learning aim or programme. Learners who are not eligible for funding at the start of a learning aim or programme will continue not to be eligible for that learning aim or programme.
5. You must not claim funding for provision which is fully delivered outside England. Eligibility for funding is based on the Education Act 2011, Apprenticeships, Skills, Children and Learning Act 2009, the Education Act 2005, Education (Fees and Awards) (England) Regulations 2007 (Amendment) Regulations 2011 and other appropriate legislation.
6. When starting learners on a qualification, you must make sure that we have approved the qualification for funding and it appears on the Learning Aim Reference Application (LARA).
7. In the case of Apprenticeships, you must only claim for funding for an apprentice on a framework that has been issued in a published Apprenticeship framework document and is available for public funding on LARA on the date that the apprentice starts.
8. You must not claim funding for any part of any learner's programme of study that duplicates provision they have received from any other source. This could be from, for example, a different funding stream we provide, another government department (for example, the Department for Work and Pensions), the Education Funding Agency (EFA) or the learner's employer.
9. You must make sure that there is no duplication in the learner's programme. If this does happen because of an overlap in the content of the learning aim, you must reduce the funding you are claiming to reflect the degree of overlap or, in the case of provision funded by a Loan, reduce the fee to the learner.
10. You must make sure that a learner does not repeat learning that they have already carried out to achieve a qualification, unless they need to do so within an Apprenticeship framework.
11. For any learning aim outside of an Apprenticeship framework, if a learner achieves more than 50% of assessment through Recognition of Prior Learning (RPL), you must discount by 50% the funding for the percentage of the qualification assessed as being delivered through RPL or, in the case of provision funded by a Loan, reduce the fee to the learner. However, if the learner has achieved 50% or less of assessment for the learning aim through RPL, you do not need to reduce the funding for the percentage of assessment achieved through RPL or, in the case of provision funded by a Loan, reduce the fee to the learner.

12. For learning aims within an Apprenticeship framework, or where Accreditation of Prior Learning (APL) applies, the reduction for the RPL or APL is a straight calculation based on the amount of assessment needed. The 50% rule does not apply to Apprenticeships or APL.
13. In terms of RPL, although we support and want to encourage the use of RPL, we would not expect it to be the only factor in achieving a qualification.
14. You must:
  - 14.1. not claim funding for provision, or require a learner to take out a Loan where no learning takes place (this would be where only an assessment is needed or a learner resits a learning aim assessment or examination)
  - 14.2. make sure that all learners who are funded by us or funded through a Loan have a Learning Agreement (see Annex 1)
  - 14.3. make sure that accurate unique learner number (ULN) information is provided to awarding organisations on learners being entered for qualifications so that results can be recorded in the personal learning record (PLR) (you can find more information on the [Learning Records Service website](#)), and
  - 14.4. not register learners for qualifications where the awarding organisation has not signed the awarding organisation PLR agreement and has not uploaded achievement data for vocational qualifications by the end of April 2013 or for general qualifications by the end of June 2013. You can find a list of those awarding organisations who have not signed the PLR agreement on our [website](#).

## Evidence required

As well as the Learning Agreement we will require evidence of the following.

Paragraph 5 – You must give us an individualised learner record (ILR) field delivery location postcode and this must be in England. Where we agree that a learning aim may be delivered elsewhere, you must first get authorisation from your relationship manager. You must keep this authorisation in the Learning Agreement for the learner. In most cases this will be an email from your relationship manager.



## Principles of evidence

The purpose of the evidence is to assure us that you have delivered education and training in accordance with the terms of our funding agreement and the funding rules. We will examine evidence to make sure we have that assurance.

You must create evidence as part of a specific business process or as a usual part of your day-to-day working. We are keen that you use as much naturally occurring evidence as possible as this reduces both unnecessary paperwork and cost.

### The main principles of providing evidence

15. You must hold evidence:

- 15.1. that the learner exists
- 15.2. that the learner is eligible for funding, and the rate for funding
- 15.3. that the education and training being delivered is eligible for funding
- 15.4. that the learning activity is or has taken place
- 15.5. that the achievement of learning aims is certified, and
- 15.6. of other funding, as necessary, such as job outcomes, learning and learner support.

16. We must be able to inspect evidence within the following timescales:

- 16.1. Evidence that the learner exists and is eligible – by the threshold date for funding
- 16.2. Evidence of achievement – within three months of the reported date of achievement.

17. The evidence of activity must be based on your own policy. If a learner withdraws from learning without achieving their learning aim, any claim for funding must only be up to the last point where you can provide evidence that the learner was still in learning.

## Learning Agreement

18. Nearly all evidence will be in the learner's Learning Agreement. We have fully described the contents of the Learning Agreement in Annex 1.
19. We have identified evidence requirements that are over and above the Learning Agreement, and at the end of each section we list the evidence needed.

## Confirmation and signatures

20. We recognise that you will decide which process you will use to record the learner's and employer's confirmation. We recognise that it is unlikely that a standard approach and process will meet the needs of every provider.
21. You can hold evidence in an electronic format. This includes holding information on electronic platforms and in scanned format, which includes, but is not restricted to, digital signatures. If you collect a learner's signature, we accept that it may be handwritten, in electronic format or both.
22. You must make sure that digital signatures and the wider systems of control give your management team enough assurance that learners are eligible for funding and that they actually exist. You must also make sure that you have systems in place so you can monitor learner activity, including that they are continuing to learn and achieve.
23. However, it is your responsibility to make sure that you keep an effective and reliable form of evidence to support funding claims, including evidence that learners actually exist and are eligible and the activity they carry out. You must hold the evidence in a form that we can access and audit.

## Learning activity

24. You must provide evidence of learning reported in the Individualised Learner Record (ILR) and recorded in the learner's Learning Agreement. You can do this through naturally occurring evidence, such as registers, attendance records, reports, records of contact and reviews. If you do not have any evidence of learning taking place and you have claimed funding, we have the right to make you repay that funding.

## Retention and achievement

25. If a learner is still in learning or has left and not achieved their learning aim, you must have evidence that learning activity is taking or has taken place. The evidence must be in the Learning Agreement. The exact nature of this evidence would be up to you (and may be based on the way in which learning takes place).

26. If the learner achieves their learning aim, we will not need you to keep evidence of the activity that has taken place.

### Individualised Learner Record (ILR)

27. The actual ILR data reported to us is not evidence in its own right. However, as it drives funding it is important that it matches the information contained in the Learning Agreement. The ways in which you collect data may naturally provide evidence. For example, you may include forms used to collect ILR data, such as enrolment forms, in the Learning Agreement.

### Self-certification by learners

28. Any self-certification by the learner must confirm both the learner's details and the details that the learner is confirming. We accept that this can be in an electronic format.

Poor data that does not reflect underlying records is one of the main causes of a qualified review by Provider Financial Assurance, our audit team. If you use the Provider Data Self-Assessment Tool (PDSAT), you can avoid many of the common problems. We designed it to give you a suite of exception reports when reviewing your data. The current PDSAT tool, updated guidance and Data Self-Assessment Tool (DSAT) interactive e-learning tool are available through [The Data Service website](#).

You can find Provider Financial Assurance's standard working papers, including detailed testing schedules, on our [website](#).

### Evidence required

As well as the Learning Agreement we will require evidence of the following.

Paragraph 15 – In terms of an Apprenticeship framework (including those funded through a Loan), the last date of actual learning where the apprentice withdraws without achieving the Apprenticeship framework is the date on which the apprentice was taking part in any learning aim that is part of the framework. You can only claim funding if the apprentice has started that learning aim. In other words, you cannot claim funding if the apprentice has not yet started a learning aim that is part of the framework.

Paragraph 15 – The date that a learner has started a learning aim is the date on which the activity directly related to the learning aim has begun. Induction, prior assessment, diagnostic testing or similar activity is not part of the learning aim and is not treated as the start of learning.

Paragraph 15 – The learner will confirm any benefit and unemployment status in a self-declaration. They will also have to declare any job they get. We do not expect confirmation of benefit or unemployment from the Department for Work and Pensions or from a Jobcentre Plus office. Similarly, we do not need an employer to confirm when the learner gets a job. If the benefit was related to the learner's unemployment status, the learner must confirm that they are not claiming this benefit when they get a job. The learner can still claim benefits not relating to unemployment. Job outcome payments (see page 20) do not apply to the learning aims of learners funded through a Loan.

Paragraph 15 – Evidence of achievement must be:

- a certificate issued by the awarding organisation, or
- an Apprenticeship completion certificate issued by the relevant Issuing Authority.

## Financial contributions

This section explains the levels of government contribution that are made towards the cost of learning and the rules that you must follow under the Apprenticeships, Skills, Children and Learning Act 2009. Depending on the circumstances, we may:

- fully fund the cost of learning
- expect an employer or learner to contribute towards the costs of learning (known as co-funding), or
- expect the employer or learner (or both) to cover the full cost of learning, possibly through a Loan. There is more information on this in paragraphs 261 to 263.

This section does not apply to programmes funded by the European Social Fund (ESF). Annex 1 contains more details on contributions.

29. You must make all learners, including learners funded through a Loan, aware of your policy on fees and charging.
30. You can decide whether to charge fees to learners who are co-funded. In exceptional circumstances you can use the hardship element of your Discretionary Learner Support (DLS) allocation to cover fees for disadvantaged learners.
31. If we fully fund a learner's programme, or a learner is taking out a Loan to fund their learning, you must not make compulsory charges to fully funded learners or compulsory charges outside of the Loan relating to the direct costs of delivering a learning aim. (If you charge an apprentice's employer, this is up to you. By direct costs we mean administration, registration, assessment, materials or examination costs, whether you have to pay them direct or they are charged by other organisations, such as awarding organisations. It can include charges for identification passes, uniforms, tools and materials where the learner cannot achieve their learning aim without them.)
32. You can pass on subscription charges, made by professional bodies to become a member of that organisation, to the learner or their employer if the learner is aged 19 or over. If achieving the learning aim relies on membership, you can make them pay this as a requirement of enrolling. You can also decide to use DLS funding to pay professional fees if you choose. In the case of a learner funded through a Loan, this would be from the Loans Bursary Fund.
33. If you offer optional extras as well as learning, you can ask a fully funded learner, a Learner funded by a Loan or a learner's employer to pay. For example, this can apply to trips and visits that are not a central part of their

learning. It cannot be a condition that the learner takes up the extra or optional extra provision to complete or achieve their learning aim.

34. You can charge for items not directly related to the learning activity, for example, library fines, replacement keys or student ID cards, printing and photocopying outside of learning.
35. If a fully funded learner or a learner funded by a Loan needs a Disclosure and Barring Service (DBS) check to take part in learning, you cannot charge them for this. If the learning is associated with the learner's employment, their employer is responsible for carrying out and paying for this check.
36. You can charge fully funded learners or learners funded by Loans if they want to keep materials used in a learning activity outside of the learning environment (for example, artwork, models and food).

## **Evidence required**

As well as the Learning Agreement we will require evidence of the following.

Paragraph 29 – The learner must confirm that they are aware of your fees and charging policy.

## Section 2 - The Adult Skills Budget including Apprenticeships

The Adult Skills Budget supports flexible and responsive provision to learners and employers.

The Adult Skills Budget supports:

- classroom learning, and
- workplace learning.

Classroom learning is everything that is not workplace learning.

Workplace learning is defined as:

- any learning aim mainly delivered within a workplace and in connection with the employed learner's occupation or their employer's business, and
- any learning in an Apprenticeship framework.

If the learner is 24 or over when they start, and provision is at level 3 or 4, or is an advanced-level or higher Apprenticeship, the provision is not supported by the Adult Skills Budget but may be supported by a Loan. Further details are given in paragraph 249.

37. You must report all Adult Skills Budget provision by using code 35 in the funding model field in the ILR.

38. All workplace learning must be reported as workplace learning in the learning delivery funding and monitoring fields of the ILR by using code WPL1.

### Qualifications available within the Adult Skills Budget

We approve and monitor qualifications for public funding, including Loans, for learners aged 19 and over in England. The funding approval process is overseen by the Qualifications Approvals and Governance Group, which is independently chaired.

For more information on the qualifications we approve and monitor for funding, and the related qualifications policy, please see the [Qualifications Information Guide](#).

39. The main part of the publicly funded offer is focused on qualifications which are part of a regulated framework. This makes sure that provision is robust and of high quality. We focus funding on qualifications offered by awarding organisations recognised by the Office of Qualifications and Examinations Regulation (Ofqual) or, in the case of Access to Higher Education, the Quality Assurance Agency (QAA). (Ofqual regulates standards of how a qualification is assessed, designed and delivered.)

40. There are some regulated qualifications that are not eligible for funding. You can find more details on qualifications which are not eligible for funding in the Qualifications Information Guide.
41. If you are delivering units, this must be as part of the offer for those who are unemployed and entitled to full funding. We will also fund units that are within the QCF English and maths qualifications approved for funding through the Adult Skills Budget for all learners. You must not use the fact that you deliver units to gain a funding advantage.
42. We do not fund 'prescribed higher education', such as degrees, foundation degrees and Higher National Qualifications. This is the responsibility of the Higher Education Funding Council for England (HEFCE).

### Using the innovation code

The innovation code (the Code) allows colleges and training organisations to respond quickly to local employers' needs and gaps where skills are needed. It does this by allowing you to enrol learners on a course that does not lead to a QCF qualification.

The Code itself has several learning-aim references, which colleges and training organisations can use on their ILR returns to claim funding so they can deliver provision.

There is no formal application process to use the Code, and colleges and training organisations do not need to ask our permission to use the Code.

Colleges and training organisations must deliver the Code within their existing funding allocation.

For more information on using the Code, please see our [website](#).

43. Any provision you deliver through the Code must be designed to respond to local employer or business and learner needs, or to respond to identified employment opportunities.
44. Provision delivered through the Code should become available nationally and be capable of moving into the QCF as a qualification. You must work with an Ofqual-recognised awarding organisation to support this. It is for you to decide when and how you involve an awarding organisation to arrange for a qualification to be developed to recognise the learning that has taken place and the achievement gained.



45. If you use the Code, it must be in line with other rules around what type of provision is eligible for public funding. You can find more details on qualifications which are not eligible for funding in the Qualifications Information Guide.
46. You can use the Code for both employed and unemployed learners. If you use the Code for unemployed learners, this should be to help them move into employment.
47. You must not use the Code to deliver all or part of an Apprenticeship framework. However, once an accredited qualification has been developed to recognise learning delivered through the Code, this new qualification could become part of a current or future framework.
48. If a subcontractor wants to use the Code, they must get permission in writing from the lead provider, and the lead provider should monitor delivery. The subcontractor must already be delivering either Adult Skills Budget or OLASS provision on behalf of their lead provider.
49. The Code can be used for new or existing provision. If the provision already exists then:
  - 49.1. the provision must not be a non-regulated version of units or qualifications that are already in the QCF
  - 49.2. the provision must not lead to a qualification listed in LARA, as this will have already been considered for public funding (see note 2 below)
  - 49.3. the provision must not have already had public funding removed from it (for a list of 'non-regulated' provision which we have removed public funding from, see [our website](#)), and
  - 49.4. the Code must not be used to replace employer funding. In other words, if an employer is already paying for a course to be run for their employees, you cannot use the Code to fund the course for those learners.
50. You cannot use funding claimed through the Code to pay the development costs of colleges and training organisations, employers or awarding organisations associated with creating a qualification.
51. Provision delivered through the Code is not eligible for funding through a Loan.

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Note 2: If a qualification has already been approved for public funding, you should enrol learners for this qualification rather than using the Code. If it has not been approved for funding, this means it is not appropriate for public funding.

52. You cannot use the Code to deliver provision that is at:

- 52.1. level 5 or above, or
- 52.2. level 3 or above for learners aged 24 or older at the start of their learning.

### English and maths

English and maths refers to English and maths qualifications and units to help learners to achieve their GCSE (A\* to C) or Functional Skills level-2 qualification. The suite of fully funded learning aims defined as English and maths are set out in Annex 1.

53. Our Qualifications Approvals and Governance Group will be monitoring the take-up of QCF qualifications, patterns of achievement, and the relationship with GCSE English and maths and Functional Skills English and maths.

54. Learners aged 19 and over, excluding apprentices, are eligible for full funding to take GCSE English and maths if they do not currently have these qualifications at grades A\* to C, no matter what other qualifications they already hold. If a learner needs to 'retake' their GCSE English and maths because they did not achieve an A\* to C grade, the learner must not just resit the examination but also carry out the necessary learning.

55. When designing a learning programme using the QCF qualifications or units, or lower-level Functional Skills qualifications, providers must support a learner's progression towards achieving their GCSE or Functional Skills qualification at level 2. Providers must not enrol learners on extra qualifications or units which are not necessary for progressing towards a GCSE or Functional Skills level-2 qualification.

56. Learners must be enrolled on a level of learning that is beyond that to which they are assessed. For example, if a learner is assessed as being at entry level 3 they must be enrolled on at least a level-1 qualification. Learners must not simply be accredited for knowledge they already have.

57. You must:

- 57.1. carry out a thorough initial assessment to determine the level at which the learner is currently working so you can decide which level they will enrol onto

- 57.2. carry out an appropriate diagnostic assessment to inform and structure a learner's Learning Agreement to use as a basis for a programme of study
  - 57.3. deliver ongoing assessment, and
  - 57.4. record all outcomes in the Learning Agreement.
58. You must use up-to-date assessment tools that are based on the National Literacy and Numeracy Standards and core curriculum. The tools must:
- 58.1. place a learner's current skills levels within the National Qualifications Framework (NQF)/QCF levels, and
  - 58.2. be administered by suitably qualified individuals including, for the diagnostic assessment, a practitioner who will structure the learner's programme of study.
59. Any non-regulated English and maths provision for learners with learning difficulties or disabilities (LLDD learners) must be based on the National Literacy and Numeracy Standards and must enable the learner to progress to a regulated English and maths qualification (see Annex 1).

### **Prince's Trust Team Programme**

The Prince's Trust Team Programme is for 16- to 25-year-olds. It is a 12-week course designed to improve confidence, motivation and skills. Each 'team' aims to recruit a mix of 16- to 25-year-olds of different abilities and backgrounds, including employees sponsored by their employers. The 'teams' are funded by us but are run and managed locally by providers in partnership with the Prince's Trust.

60. We have confirmed to the Prince's Trust that funding for their programme would be protected at 2012/2013 levels. As such, you must claim:
- 60.1. as shown in the rates matrix, the funding rate for the award or certificate in employment, teamwork and community skills (QCF) at entry level 3, level 1 and level 2
  - 60.2. the costs of the residential element of the Prince's Trust Team Programme from your Discretionary Learner Support fund, and
  - 60.3. all other support costs from Learning Support funding.

## English for Speakers of Other Languages (ESOL)

English language skills are essential in the community and for success in the job market. Learners who do not use English as their first language are expected to undertake ESOL learning which improves their prospects of getting a job and enables them to progress to Functional Skills in English and GCSE in English language.

61. The ESOL learning aims we fund are set out in Annex 1.
62. Any non-regulated ESOL provision for learners with learning difficulties or disabilities must be based on the National Literacy and Numeracy Standards and must enable the learner to progress to a regulated qualification.

## Job outcome payments

Payments for job outcomes are built into the earnings method. This will pay 10% of the value of the learning aim if an eligible learner enters into work (which we class as lasting 16 hours or more a week for at least four weeks in a row) but they either fail to achieve the learning aim and withdraw from learning or the learner gets a job but continues in learning. If the learner continues in learning and achieves the learning aim, we will also pay the balance of achievement funding (10%). Job outcome payments do not apply to the learning aims of learners funded through a Loan.

63. To claim job outcome funding for learners who are receiving Jobseeker's Allowance, are in the work-related activity group for receiving Employment and Support Allowance, or are receiving Universal Credit and mandated (required) to undertake skills training, you must receive a declaration from the learner that they have stopped claiming benefits related to unemployment and have entered work.
64. To claim job outcome funding for unemployed learners receiving wider benefits, you must receive a declaration from the learner that they have started work.
65. You claim job outcome funding by reporting an employment outcome in the employment outcome field of the ILR. You must report data to us within the ILR for the current year in which the learner leaves learning.
66. To generate a job outcome payment:
  - 66.1. the learning aim must not be classified as 'in workplace learning' on the ILR

- 66.2. the learner must be unemployed
- 66.3. the ILR field benefit status indicator must be coded as either BSI1, BSI2, BSI3, or BSI5, and
- 66.4. the employment outcome field of the ILR must report that an eligible job has been gained.

## Joint Investment Programme

The Joint Investment Programme (JIP) brings together public and private bodies so they need to work together with us, to lead on sector initiatives that will:

- raise ambitions for skills and overcome blockages to growth
- deliver skills to meet opportunities for business productivity, and
- deal with a market failure in providing vocational skills in a sector.

JIP funding is directed specifically at those qualifications and units of qualifications identified as solutions to specific skills needs.

67. The JIP draws on a ring-fenced budget which means you can only use it if you have a JIP annex as an appendix to your Adult Skills Budget funding agreement.
68. You must:
  - 68.1. use the funding provided under the JIP agreement to deliver only agreed JIP provision
  - 68.2. invoice the employer for their contribution towards the cost of learning
  - 68.3. collect the 50% cash contribution of the total funding rate of each learning aim from all employers
  - 68.4. have in place an effective system to monitor, collect and provide evidence for employer contributions
  - 68.5. record the employer reference number in the employer identifier field of the ILR
  - 68.6. for all learners on the Joint Investment Programme report Special Projects and Pilots (SPP) code SP045 in the learning delivery funding and monitoring fields of the ILR, and

- 68.7. provide evidence and information related to delivering provision to the lead organisation so this can be reported to us.
69. We will review how the programme is performing and will revise provider profiles in light of performance. We have the right to reduce the value of contracts during the year.
70. It is expected that more than half of learners involved over the two-year programme will be employed by organisations with fewer than 250 full-time equivalent (FTE) staff.
71. You and the JIP lead will need to set out a full profile and schedule of learners starting and completing units and achieving credit and achieving qualifications funded in the JIP for each year.
72. Learners who take a qualification at the same level are allowed within the funding rules of the JIP, and one learner can carry out multiple units and qualifications based on employer demand.
73. If a learning aim is only eligible to be delivered as part of a JIP, this will be shown in the details of the learning aim on LARA.

### **State Aid**

74. The UK Government and the European Union require us to report on provision that could be treated as State Aid. So that we can report this information, you must return information on provision that is within the scope of the State Aid Regulations. We have also issued a separate technical briefing note with details of what you need to do. You do not need to return such information for any provision funded by Loans.

### **Using the Adult Skills Budget for offenders – public prisons**

75. If you receive Adult Skills Budget funding, you can use it to deliver provision to learners in custody. Using this budget in this way must work alongside, and not duplicate or compete with, OLASS-funded provision. The OLASS budget can only be used for adults in custody, so it is important to make the best use of this budget before using the Adult Skills Budget.
76. If you deliver this provision and you are not an OLASS provider, you must agree this with the OLASS provider.
77. If you are using your Adult Skills Budget with offenders in custody, you must keep to all Adult Skills Budget eligibility and contribution requirements and report this in the learning delivery funding and monitoring fields of the ILR using code LDM119.

78. When a learner is released on temporary licence to take part in learning, the provision must be funded using the Adult Skills Budget and must meet the eligibility requirements associated with it.
79. Offenders in custody who are over 24 and want to study at level 3 or 4 may be eligible to apply for a Loan.

### **Using the Adult Skills Budget for offenders – private prisons**

80. Throughout England there are a number of contracted-out prisons which are run by private companies. In the past, when a contract was successfully won by a private company, the bid would include delivering education as well as all the other elements involved with running a prison. Only recently has the requirement to provide education started to be separate from the operator's contract and switched to be funded using OLASS. Currently only four privately run prisons are funded through OLASS (Thameside, Doncaster, Oakwood and Birmingham). The rules in paragraphs 75 to 77 apply in these establishments and any others that move to OLASS funding.
81. The other private prisons are given a core budget, from the Ministry of Justice, which includes an element for education. Prisons are expected to make best use of this funding before using other sources of public funding. As part of the agreed service-level agreement they will need to deliver all aspects and so it is their decision on where they get their education from.
82. As well as this, private prisons can work with colleges and training organisations to improve how their education service is delivered to prisoners. This can be funded through the Adult Skills Budget and will be governed by the same rules and regulations covering public prisons.
83. As above, when a learner is released on temporary licence to take part in learning, the provision must be funded using the Adult Skills Budget and must meet the eligibility requirements associated with it. Offenders who are held in private prisons, are aged over 24 and who want to study at level 3 and 4 may be eligible to apply for a Loan.

### **Breaks in learning**

84. You must not plan for breaks in learning. If there is a break in learning, when the learner returns we will fund the learning aims they return to at the original rate that applied.
85. When the learner returns you must fill in the original learning start date field in the ILR.
86. You must use the funding adjustment for prior learning field in the ILR to amend the funding that you will claim when the learner returns. This

figure will be based on the time the learner has already spent on the original learning aim.

87. If the learning aim that the learner was following is no longer valid when they return (in other words, the certification date has passed), you cannot class this as a break in learning. This limits the length of time that a learner can have as a break in learning.
88. For more information on how to record breaks in learning on the ILR, see the ILR provider support manual on the [Information Authority's website](#).

## **Evidence required**

As well as the Learning Agreement we will require evidence of the following.

Paragraph 74 – You must keep, and give us copies of, records of provision identified as State Aid.



## Apprenticeships

### Statement on Apprenticeship Quality

In 2013/2014, only Apprenticeships which are a job with an accompanying skills development programme, as defined by the Specification for Apprenticeship Standards in England (SASE) and approved by the relevant Issuing Authority will be funded by us or through a 24+ Advanced Learning Loan. It allows the apprentice to gain technical knowledge and real practical experience, along with the personal and functional skills needed for their immediate job and future career. The apprentice gains these using a mix of learning in the workplace, formal off-the-job training and the opportunity to practise new skills in a real work environment. This mix differentiates the Apprenticeship experience from training delivered just to meet the precise needs of the job.

When they have completed the Apprenticeship, the apprentice must be able to carry out the full range of duties confidently and competently in the range of circumstances appropriate to the job, to the standard set by the industry.

To see the Statement on Apprenticeship Quality in full and for a list of frameworks we fund, see the [Apprenticeships website](#).

### Principles

This section sets out the principles behind the funding rules that apply to all Apprenticeships that we fund or that are funded through a Loan.

89. To receive funding you must do the following:

- 89.1. You must be content that all apprentices you claim funding for are carrying out a new job role, or if in an existing job role, that the individual needs significant new knowledge and skills and that an Apprenticeship is the most appropriate learning programme for them.
- 89.2. You must make sure that the job allows the apprentice to gain the wider employment experience that is a central part of the Apprenticeship.
- 89.3. You must advertise new Apprenticeship vacancies on the Apprenticeship Vacancies (AV) [website](#). (New Apprenticeships are job opportunities where the employer is looking to recruit someone to do an Apprenticeship. If an Apprenticeship is taken up by someone already working at the company, they do not need to be posted on the system.)

89.4. You must enter on the Apprenticeship Vacancies website the details of the successful applicants.

90. An individual cannot start an Apprenticeship we are funding until after the last Friday in June in the academic year (1 September to 31 August) that they become 16 years of age, usually known as Year 11. There are no exceptions to this rule, even if the individual is no longer at school or is already in work.

91. We will only fund a single Apprenticeship framework at any one time. This means that if an apprentice wants to progress onto another framework, they must have completed the previous Apprenticeship first.

92. We fund only those aims identified in the Apprenticeship framework as 'mandatory', unless we say differently within the funding rules.

93. We will not fund an Apprenticeship delivered only by distance learning.

### Access to Apprenticeships

The Access to Apprenticeship pathway allows individuals with the clear potential to succeed in Apprenticeships to start training before they have a paid job with an employer. The objective of the pathway is for the learner to gain a paid Apprenticeship with an employer as quickly as possible so that they can pursue and complete their training in the usual way. A learner on this pathway is not considered to be an apprentice until they become employed. However, they will work towards the elements of an Apprenticeship.

The Access to Apprenticeship pathway and the Apprenticeship are delivered in one continuous programme.

94. To be eligible for the Access to Apprenticeship pathway, the following must apply:

- 94.1. The learner must have left full-time compulsory education and be aged 15 to 24 on the day they start. (Learners aged 24 who want to get an advanced-level Apprenticeship through the Access to Apprenticeships pathway will not be eligible for funding from us, but they can apply for a Loan.)
- 94.2. The learner must have been assessed as being able to fully take part in an intermediate-level or advanced-level Apprenticeship.
- 94.3. The learner must be either defined as not in education, employment or training (NEET) immediately before the start date or be assessed and eligible for learning support.

95. All Apprenticeship framework activity must take place within the agreed hours as shown in the Learning Agreement.
96. You must move the learner onto a full Apprenticeship with a contract of employment (including an Apprenticeship Agreement) as soon as possible. The pathway must not last longer than six months from when the learner starts, and will usually be shorter than this. This six-month period cannot be extended to take into account learners who carry out less than 30 hours of learning a week.
97. The learner will spend most of their time on the Access to Apprenticeship pathway in a work placement with an employer that is identified at the start of the pathway. The number of hours on the pathway will be the same as expected for those on a full Apprenticeship.
98. When the individual becomes employed, you must report this in the ILR by filling in a new employment status record for the learner.
99. You must not recruit more than 10% of your overall Apprenticeship starts through the Access to Apprenticeship pathway without the agreement of your relationship manager.
100. A learner cannot achieve their full Apprenticeship while on the Access to Apprenticeship pathway. They need to be in paid employment as an apprentice in order to do so. A learner who has completed all elements of the Access to Apprenticeship pathway without having been employed will not be able to claim their Apprenticeship completion certificate.
101. The Access to Apprenticeship pathway and the Apprenticeship are delivered in one continuous programme from beginning to end. The time a learner spends on an Access to Apprenticeship pathway (up to six months) will contribute to the minimum 12-month duration for the full Apprenticeship. Any learner who does less than 30 hours a week on the Access to Apprenticeship pathway must have the minimum 12-month duration of the full Apprenticeship extended.
102. If you fail to find an employer for an apprentice on the Access to Apprenticeship pathway by the six-month point, you will not qualify for the achievement element of the funding, even if the apprentice then gets a job and achieves the Apprenticeship after the six-month period.
103. If you fail to secure employment for less than 90% of all the individuals you have enrolled through the Access to Apprenticeship pathway in a given year, you will no longer be automatically eligible to deliver the pathway in future years.
104. A learner can start any or all of the elements of an Apprenticeship framework during the period on the Access to Apprenticeship pathway.

Providers should tailor the training to achieve the main objective of the learner getting a paid Apprenticeship with an employer as quickly as possible.

## Apprenticeship Agreement

The requirement for an Apprenticeship Agreement between an employer and an apprentice, under the ASCL Act 2009 sections 32 to 36, came into force on 6 April 2012. An Apprenticeship Agreement is needed at the start of the Apprenticeship for all new apprentices (whether funded by us or through a Loan) who start on or after that date, and must be in place for the entire length of the Apprenticeship. Without it, a completion certificate cannot be issued. You can find more information on Apprenticeship Agreements on the [Apprenticeships website](#)

105. The Apprenticeship Agreement must state that the apprentice will be carrying out an Apprenticeship in a particular skill, trade or occupation under a qualifying Apprenticeship framework.
106. The Apprenticeship Agreement can be in the form of a written statement of particulars under the Employment Rights Act 1996. Or, it can be a contract of employment or a letter of engagement where the employer's duty under the 1996 act is treated as met.
107. Existing and new contracts of employment between the apprentice and the employer that meet the 1996 act will also meet the requirements of the Apprenticeship Agreement. This applies as long as they include a statement (which may be an annex) setting out the skill, trade or occupation linked to a relevant recognised English framework, issued by the appropriate Issuing Authority, for which the apprentice is being trained.

## Employment

The ASCL Act 2009 says that all apprentices must be employed at the start of the first day of their Apprenticeship. The only exceptions are apprentices in certain occupations that are covered by the 'alternative completion conditions' (see paragraph 115) agreed by the Government, or learners on the Access to Apprenticeship pathway before getting a paid Apprenticeship. All apprentices must be employed in a job role with a productive purpose.

The term 'employed' is defined as an individual who has a 'contract of employment'. This does not include individuals who are self-employed.

Funding or a Loan provided for an Apprenticeship must not be used to pay the apprentice's wages. The funding or Loan is to fund learning. You must be able

to prove that our funding or the Loan is not being used for the apprentice's wages.

108. You must make sure that wages are paid by the employer, not by you. You must be able to prove that you are not using our funding to pay apprentices' wages.
109. Employers must pay at least the relevant National Minimum Wage set by the Department of Business Innovation and Skills. Further information can be found on the [gov.uk website](#).
110. You must not directly employ apprentices purely for the purpose of delivering an Apprenticeship. The only exception to this is where employment is through a recognised Apprenticeship training agency (ATA), which must operate within the National Apprenticeship Service (NAS) ATA framework and keep to the NAS ATA Recognition Process and Guidance, and other conditions as set out on the Apprenticeships website.

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

111. If an organisation operates as an ATA, for example their main business is employing apprentices who are made available to employers for a fee, they must clearly identify themselves as such and keep to NAS ATA regulations.
112. If you are receiving funding or a Loan, and operate an ATA, you must set this up as a distinct business so that apprentices are contracted employees of the ATA and not you. You must not use funds intended to deliver training to pay apprentices' wages. You must record the location (host) employer details in the delivery location postcode field of the ILR.
113. To protect the quality of Apprenticeship provision, you must only contract with NAS-recognised ATAs (or an organisation registered with NAS as working towards being a NAS-recognised ATA). Please see the latest version of the [ATA framework](#).
114. Group training associations that offer an ATA service to employers must follow ATA-specific rules.

### **Alternative completion conditions**

115. The Government has agreed that in certain circumstances, apprentices do not need to be employed under an Apprenticeship Agreement. These are shown below.
- 115.1. Apprentices who are made redundant through no fault of their own, up to six months before completing their Apprenticeship.

115.2. Occupations or frameworks where self-employment or working other than for reward is normal within the sector, but where the apprentice is likely to get a quality experience. The defined list of these is in Annex 1.

115.3. Individuals who are carrying out the advanced-level Apprenticeship in Sporting Excellence (AASE) in sports designated for Olympic, Paralympic and Commonwealth Games (see Annex 1 for a list of official sports).

116. For AASE above, you must:

116.1. have endorsement that each AASE apprentice has been identified by the relevant national governing body (NGB) as having the potential to compete at games level and be included in the number of AASE Apprenticeships agreed between us, NAS and NGB for the funding year, and

116.2. hold this endorsement in the apprentice's Learning Agreement. If you do not have this supporting endorsement, we will withdraw funding for those apprentices.

## Employment hours

Apprentices must have spent a substantial percentage of their time as an apprentice actually doing the job they are developing a skill in, on premises where that job is usually carried out. This will normally be for at least 30 hours a week, but may be more. Apprentices must be paid both for the hours they spend working and for those that they spend studying.

Apprenticeships where the apprentice is working and studying for less than a combined total of 30 hours a week should be by exception only and in each case have the minimum time they can be delivered in extended by a corresponding percentage. For example, the usual minimum planned delivery time is a 12-month Apprenticeship with 30 hours a week spent with the employer. However, if the individual can only work 20 hours a week, you will need to extend the end date by one third – in other words, the Apprenticeship will last for 18 months.

You can find more guidance on Apprenticeship hours and how long they should last on the [Apprenticeships website](#).

117. As well as paying at least the National Minimum Wage as explained in paragraph 109 you must:

- 117.1. make sure that, apprentices are mainly employed for at least 30 hours a week (they are not allowed to be employed for less than 16 hours a week in any circumstances), and
  - 117.2. agree the average hours the apprentice will be 'at work' with the employer, usually defined using a contracted number of hours every week. This must be recorded in the Learning Agreement, and you, the employer and the individual apprentice must have the opportunity to agree to these hours which will include periods of study.
118. If the apprentice or the employer believes there is a case for the apprentice working for less than 30 hours a week, you must:
- 118.1. make sure that the apprentice is working for at least 16 hours a week
  - 118.2. record the proposed average number of hours each week, and
  - 118.3. keep a record of the circumstances which have led them to believe a reduction in hours is appropriate. This will either be due to the apprentice's personal situation or because the industry or job role in which they are employed does not always offer the possibility of a 30-hour working week.
119. 'Zero-hour' contracts, which do not specify a set number of hours, will be accepted for Apprenticeships only if 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 each week and the pattern of working hours may vary (as long as it meets the requirements of relevant regulations) but there must be a clear undertaking between the employer and the apprentice to complete the Apprenticeship within the hours worked.
120. Apprentices with an irregular working pattern must use a four-week rolling average to make sure they keep to the employment hours funding rules (paragraphs 117 to 119).
121. You must also:
- 121.1. make sure that the apprentice can complete all elements of the framework within their contracted hours
  - 121.2. make clear the extended length or average working-hour pattern when advertising a vacancy on the AV website, if that vacancy is listed as having less than 30 hours, and
  - 121.3. keep to the ASCL Act 2009 and SASE which states that an apprentice must receive at least 280 guided learning hours (glh) each year of their Apprenticeship. All frameworks which keep to

SASE must give the minimum number of glh to be delivered in each year (on and off the job). This may be more than the minimum of 280 glh shown above.

As part of the performance-management process, if we consider that you are carrying out large numbers of Apprenticeships inappropriately, for example splitting a full-time vacancy into two vacancies, we will consider removing funding and giving it to high-performing providers who are protecting the interests of apprentices.

### **Recognition and Accreditation of Prior Learning and duplication**

We do not fund learning aims where only assessment is needed to achieve a qualification. A significant amount of new learning and workplace practice must be involved in all cases. You must only enrol apprentices who will clearly benefit from the new skills gained as a result of the Apprenticeship. We do not fund learning aims twice. In other words, we will not fund apprentices to repeat learning aims they have previously achieved.

For apprentices funded through a Loan, providers must make sure the fee reflects the skills provision the apprentice needs.

121.4. You must assess each apprentice funded by us, record their prior learning on the Learning Agreement, and indicate this in the funding adjustment for prior learning field of the ILR for all apprentices not carrying out all elements of the framework.

### **Apprenticeship duration**

To protect quality and make sure apprentices receive a high-quality meaningful experience, all Apprenticeships must last for a minimum period of time.

Apprenticeships will often take considerably longer and should be based on the framework's recommended duration. You must not assume a 12-month minimum, but refer to the relevant framework and funding rules paragraphs 122 to 132.

The Apprenticeship should include guided learning, assessment, and training, and monitored workplace practice, planned and agreed between the apprentice, their employer and you.



## Minimum length of 16-18 Apprenticeships

122. You must:

122.1. follow the guidance in the Apprenticeship framework paying particular attention to the content of the framework, its links to specific job roles and the stated framework length as identified by the framework developer

122.2. make sure that all apprentices aged under 19 on their start date have a recorded 'minimum planned delivery', that is a period of learning and workplace practice in which they are expected to complete their Apprenticeship which is 12 months or more (even if the apprentice has already achieved any of the learning aims contained within the framework), and

122.3. make sure that the minimum planned delivery is extended by the length of any break if the apprentice takes a break in learning.

122.4. To make sure you receive the achievement element of the funding, the actual end date recorded on the ILR must be at least one year and one day after the start date.

123. You must not enter an expected duration of less than 12 months under any circumstances. An Apprenticeship cannot be completed in less than 12 months and so we will not pay the achievement element of the funding and an Apprenticeship completion certificate cannot be issued.

124. You must make sure that throughout the entire length of the Apprenticeship, the apprentice is involved in active learning or monitored workplace practice.

## Minimum length of 19+ Apprenticeships

125. You must:

125.1. follow the guidance in the Apprenticeship framework paying particular attention to the content of the framework, its links to specific job roles and the stated framework length as identified by the framework developer, and

125.2. make sure that apprentices aged over 19 on their start date have a recorded 'minimum planned delivery' (that is, a period of learning and workplace practice) in which they are expected to complete their Apprenticeship which is 12 months or more, unless there is Recognition of Prior Learning or Accreditation of Prior Learning in line with the instructions below.

126. You must not claim funding or, in the case of provision funded by Loans, charge a fee, for any qualifications or parts of qualifications that are not delivered due to accredited prior learning.
127. Similarly, you must reduce funding or, in the case of provision funded by Loans, reduce the fee charged, by a proportionate amount for any qualifications that are shortened due to recognised prior learning. We will not pay you the full amount of funding otherwise available for an Apprenticeship which finishes in less than 12 months.
128. If there is accredited or recognised prior learning against any part of the framework, you must do the following.
  - 128.1. You must record the accredited prior learning in the initial learning assessment of the apprentice. This must show that you have adequately assessed the apprentice's prior achievement and future needs and that an Apprenticeship is still the most suitable learning programme for that individual. Prior learning can never reduce the length of the Apprenticeship below six months.
  - 128.2. You must record this in the Learning Agreement, including noting how this affects the planned length of the Apprenticeship.
  - 128.3. You must record in the Learning Agreement how you have adjusted funding or, in the case of apprentices funded through a Loan, adjusted the fee charged, to reflect this previous attainment.
  - 128.4. Except for funding provided through a Loan, you must use the funding adjustment for prior learning field of the ILR to reduce the funding claimed for that individual.
129. If the apprentice takes a break in learning, you must make sure that the length of any break is added to the minimum planned delivery.
130. You must make sure that throughout the entire Apprenticeship the apprentice is involved in active learning or monitored workplace practice.
131. An apprentice aged 19 or over on the start date cannot complete an Apprenticeship in less than six months and an Apprenticeship completion certificate cannot be issued. For apprentices funded by us who complete their Apprenticeship in less than six months, we will not pay the achievement element of the funding.
132. An apprentice aged 19 or over on the start date where the Apprenticeship is planned to last less than six months will not be eligible for funding from us or through a Loan.

## Completion and achievement of an Apprenticeship framework

133. The Apprenticeship framework achievement date (as reported in the ILR) is the date on which both the apprentice and you (if you are claiming on behalf of the apprentice) sign the [apprentice declaration and authorisation form](#). If the apprentice and you sign on different dates, it is the later date that applies. It is only at this point that you can report, in the outcome field of the ILR, that the Apprenticeship programme aim has been achieved (code 1). If the minimum duration of the Apprenticeship has not been completed, you must enter 'no achievement' (code 3) in the outcome field of the ILR.
134. After filling in the apprentice declaration and authorisation form, the apprentice or you (if you are claiming on behalf of the apprentice), or the employer acting on behalf of the apprentice, must apply for an Apprenticeship completion certificate from Apprenticeship Certificate England (ACE).
135. If you, the apprentice or the employer do not apply for an Apprenticeship completion certificate, in the ILR you must not report that the Apprenticeship has been achieved. This applies even if the apprentice has signed the apprentice declaration and authorisation form. If you, the employer or the apprentice do not apply for an Apprenticeship completion certificate, the Apprenticeship cannot be reported as achieved. We are working closely with ACE to compare achievements reported in the ILR against the Apprenticeship completion certificates they issue.
136. In the case of learners funded by us, if you, the learner or the employer do not apply for an Apprenticeship completion certificate, you must not claim the achievement element of the Apprenticeship.
137. You have up to three months to deal with the process of applying for an Apprenticeship completion certificate, sort out any queries, receive and keep a copy of the Apprenticeship completion certificate from ACE. You must pass on all Apprenticeship completion certificates to the apprentice. If after three months you have not received an issued certificate, you must amend the ILR data by updating the outcome and achievement date fields of the ILR to show that the Apprenticeship has not been achieved.

## English and maths

138. For all Apprenticeships, you must offer level-2 Functional Skills or GCSE qualifications in both English and maths to all apprentices who have not yet achieved level 2 in either or both English and maths, whether or not it is included in a framework.

139. If the apprentice has previously achieved level-1 qualifications in either or both English and maths, you need to keep a record of the offer of level-2 study as part of the Learning Agreement.
140. If an apprentice takes and achieves a level-1 Functional Skills qualification or GCSE (to at least grade E) in either or both English or maths as part of their Apprenticeship and could achieve a Functional Skills qualification at level 2, you must offer the opportunity to progress.
141. You must report these additional level-2 qualifications in English and maths as delivered within the Apprenticeship framework and we will fund them as an Apprenticeship aim. This includes co-funding for all 19+ Apprenticeship qualifications. Achievement of the Apprenticeship framework does not depend on achieving these additional qualifications. Also, we will not use these qualifications when calculating your success rate.
142. Key skills are only part of an Apprenticeship framework if the apprentice started on or before 30 September 2012, and they started learning for the key skills on or before that date.

### **Breaks in learning**

143. The rules on breaks in learning apply to all apprentices, as stated in paragraphs 84 to 88 and paragraph 129.

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

Apprentices who have successfully completed an Apprenticeship are not expected to start a second Apprenticeship at the same or a lower level. In other words, in most cases apprentices will progress to a higher level. However, in certain circumstances it may be appropriate for the apprentice to achieve several skills at the same level.

For learners funded by Loans, their first Loan application does not refer to prior learning. However, subsequent Loan applications cannot be for study at the same level.

144. In these instances you must record that the repeat or lower-level Apprenticeship is supporting the apprentice in a new job role.

### **Individuals with qualifications at level 4 or above**

145. Individuals who already have a level-4 qualification are only eligible to carry out a higher Apprenticeship at level 5 or above. They are not

eligible for funding for an intermediate-level, advanced-level or level-4 higher Apprenticeship.

### Small and medium-sized enterprises (SMEs)

How you deal with SMEs is vitally important. The National Apprenticeship Service (NAS) has published a service standard for dealing with smaller employers, which you can find on the [Apprenticeships website](#). In terms of our funding for workplace learning, an SME is an organisation with fewer than 250 employees. This total must contain all employees whether full- or part-time, including parent and subsidiary companies no matter where they are based. For public organisations, it is the relationship between the organisations that is important to consider. For example, a library or central works department would be considered as part of the whole local authority.

146. SMEs with fewer than 10 employees (not including any apprentices) may add up to two extra funded units to their Apprenticeship, for each apprentice. You can find the list of eligible units on the [Apprenticeships website](#).

147. Normal funding rates and rules apply. If an employer contribution applies to the rest of the framework, it will also apply to these units.

148. We may extend this offer in 2013/2014 depending on our review in Spring 2013.

149. Extra funded units do not apply to provision funded by Loans.

### Funding for apprentices aged 19 to 24 who have learning difficulties or disabilities

Investing in further education and skills training for learners with learning difficulties or disabilities (LLDD learners) is an important part of the support that the Government provides to disabled people. The right level of support needs to be available to make sure barriers to learning are removed and learners can make the most of their potential.

We will fund 19- to 24-year-old apprentices with a Learning Difficulty Assessment as set out in the ASCL Act. That is, we may fund suitable Apprenticeship training for people who:

- have left compulsory school age but are under 19, or
- are 19 or over but under 25 and have a Learning Difficulty Assessment.

We will also provide apprentices, where appropriate, with Learning Support (see paragraphs 157 to 161) and/or enhanced funding.

## Enhanced funding for apprentices aged 19 to 23

150. Eligible individuals who have not been available to enter learning before their 19th birthday due to a reason beyond their control will be funded at the fully-funded 19 to 23 rate as long as they start an Apprenticeship before their 24th birthday.

151. Examples of reasons are:

- disability
- ill health
- pregnancy
- a custodial sentence
- remanded in custody
- being a carer
- significant language difficulties (not ESOL)
- the result of a care order, and
- being detained under the Mental Health Act.

152. This is not a full list and you must contact your relationship manager if you are not sure whether the reason is valid.

153. 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:

153.1. not been living in England

153.2. been in education, either in a school sixth form, a further education college or training organisation, or

153.3. been on Entry to Employment (E2E), work-based learning, Train to Gain or an Apprenticeship.

154. They will also not be entitled to enhanced funding if, since their 19th birthday there has been a period of at least six months in which the reasons listed in paragraph 151 above have not applied.

## Evidence required

As well as the Learning Agreement we will require evidence of the following.

Paragraph 121.2 – If the working hours of the apprentice vary from week to week, you must make sure that you meet the minimum length of the framework as shown in the funding rules. This includes both increases and reductions in hours where you will extend or reduce the minimum length as

necessary. You must not change the planned end date field of the ILR but this alteration will be reflected in the learning actual end date field of the ILR.

Paragraph 130 – If no formal teaching or learning is taking place and the apprentice is involved in workplace practice, a self-declaration made by the apprentice is one example of what we will accept as evidence of being in learning.

## **Learners with learning difficulties or disabilities (LLDD learners)**

Investing in further education (FE) and skills training for learners with learning difficulties or disabilities (LLDD learners) is an important part of the support that the Government provides to disabled people. This means making sure the right level of support is available to make sure barriers to education and training are removed and learners can make the most of their potential.

We will fund LLDD learners as set out in the Apprenticeships, Skills, Children and Learning Act (see note 3 below). That is, we are responsible for funding provision for adults who are:

- 19 to 24 who do not have a Learning Difficulty Assessment or Education, Health and Care Plan (see note 4 below), or
- 25 and over and who self-declare they have a learning difficulty or disability.

For details of the funding we provide for apprentices with learning difficulties or disabilities, see page 37.

155. Learners with learning difficulties or disabilities may have their personalised learning programme created from provision that is non-regulated if there is no other suitable alternative within a regulated framework.

156. If a learner has a Learning Difficulty Assessment (LDA) or an Education, Health and Care Plan (EHCP), you must record this by entering code LDA1 in the learning funding and monitoring fields in the ILR.

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Note 3: We and the Education Funding Agency are discussing transitional arrangements for continuing learners, and will confirm these arrangements.

Note 4: The EFA is responsible for funding provision for students aged 19 to 24 who have a Learning Difficulty Assessment or Education, Health and Care Plan.

## Learning Support (LS)

Learning Support (LS) is aimed at enabling you to work flexibly and provide support activity to meet the learning needs of your learners. This will enable these learners to achieve their learning goal and make the most of their potential. Learning Support funding will also provide funding for colleges, training organisations and voluntary organisations to meet the costs of reasonable adjustments as set out in the Equality Act 2010.

Learners who were funded by the Education Funding Agency and became our responsibility for continuing learning aims will continue to receive Learning Support at the same level.

Learning Support funding is now part of the Adult Skills Budget.

Learners funded by Loans can get Learning Support from the Loans Bursary Fund (see paragraphs 293 to 299)

157. Learning Support:

157.1. may be used if learning continues past the planned end date and the learner still needs support, and

157.2. must not be used to deal with everyday difficulties not directly associated with a learner's learning on their programme.

158. There are no restrictions on transferring funding between Learning Support and participation funding. However, we can review providers if there is a large increase in the use of Learning Support funding. We would not expect providers to significantly increase their Learning Support funds as part of the Adult Skills Budget.

159. We will review whether your use of Learning Support funds represents good value for money. If we think that the funding we have provided is significantly more than the cost of the support provided, we may, after consulting you, reduce the amount of funding we pay you.

160. Learning Support will be earned at a fixed monthly rate if it has been identified on the ILR against an identified learning aim. If support needs exceed the fixed monthly rate and you provide evidence of the excess, you will be able to claim for this excess.

161. You must:

161.1. carry out a robust assessment to identify the support the learner needs



- 161.2. agree and record the outcome of your assessment in the Learning Agreement
- 161.3. deliver support to meet the learner's identified needs, and review progress and continuing needs as appropriate
- 161.4. record all outcomes on the Learning Agreement and keep evidence of the assessment of the needs, and
- 161.5. report on the ILR that a learner has a learning support need associated with an identified learning aim, by entering code LSF1 in the learning delivery funding and monitoring fields.

### **Exceptional Learning Support (eLS) claims above £19,000**

Some learners may need significant levels of support to start or continue learning. These learners are unlikely to be planning to take part in learning without careful consideration of their needs and the ability to meet them, and there will be other agencies involved in their care and support. These learners can get access to exceptional Learning Support if their support costs more than £19,000.

Learners aged 19 to 24 requiring significant levels of support would normally be expected to have a Learning Difficulty Assessment or Education, Health and Care Plan provided by their local authority and therefore would access funding from their local authority unless they are undertaking an Apprenticeship.

Where you are seeking to claim eLS above £19,000 for a learner aged 19 to 24 who does not have a Learning Difficulty Assessment or Education, Health and Care Plan or is not undertaking an Apprenticeship you will have to confirm why the learner does not have a Learning Difficulty Assessment or Education Health and Care Plan.

162. You must:

- 162.1. first get approval from your relationship manager for learners whose support costs more than £19,000 in a funding year, by filling in the Learning Support costs form
- 162.2. get further approval if the learner's support needs change significantly during their learning, and
- 162.3. make payment claims for learners' eLS in 2012/2013 by 15 November 2013.

## Evidence required

As well as the Learning Agreement we will require evidence of the following.

Paragraph 161 - Evidence that the Learning Support claimed through the ILR is backed up by an assessment, that there is a planned programme of support included in the Learning Agreement, and there is evidence of the planned programme for providing additional support included in the Learning Agreement.

Paragraphs 162 – A copy of correspondence between you and your relationship manager. This could be an email from your relationship manager on our behalf.

Paragraph 3 in the box on page 41 – Evidence of why the learner does not have a Learning Difficulty Assessment or Education, Health and Care Plan.

## Section 3 - Programmes

### European Social Fund (ESF)

All providers that receive ESF funding from us for their provision, or where we use the mainstream funding we allocate to them as ESF match funding, must keep to these rules. This document provides important information to support the ESF, particularly if the rules are different from or apply as well as our normal rules. You should read these fully as well as:

- the offer pack or tender specification the contract was awarded to deliver, and
- the funding agreement, ESF rules and regulations applied by the European Social Fund Division (ESFD) in how they relate to the ESF programme in England. The [ESF Manual](#) will be updated during the life of the programme and we are responsible for telling you about any revisions.

These documents form part of the terms and conditions of your funding agreement.

In line with the ESF Manual, we refer to individuals who are supported through ESF activity using our funding as 'participants'.

#### ESF match funding

163. To release ESF funding, we must identify public funding from our own sources to be 'matched' as part of the ESF programme. Because of this, we use our mainstream budgets (usually the Adult Skills Budget and Apprenticeships) as the source of this match funding.
164. As a result, if you are a mainstream provider, you need to understand the requirements of the ESF programme. At the start of each academic year we will write to all providers with mainstream provision that could be used as a source of ESF match funding. If you have been used as a source of ESF match funding, we will confirm this also.

#### ESF provision

165. For stand-alone ESF provision, the maximum funding available is set out in the main funding agreement.
166. Funding for delivery is triggered by the ILR returns and when you fill in a delivery statement using the provider gateway. The funding agreement sets out what needs to be delivered, how payment is triggered for each of them and the associated rules on providing evidence.

## Eligibility

167. ESF rules and regulations say that, to be eligible for ESF help, participants must be 'ordinarily resident' (see paragraph 21 in Annex 1) in the UK and be able to work in the UK.
168. Workers who have come to the UK with valid work permits are eligible for ESF co-financing help without the normal three-year waiting period.
169. Asylum seekers eligible for our funding as shown in Annex 1 will not usually be eligible for ESF co-financing funding as they will not have the right to work in the UK.
170. To be supported by ESF from us, all participants have to be entitled to our funding first.
171. There is specific guidance on the eligibility of projects in the main terms and conditions document which takes priority over this document if there is any difference between the two. However, the following sections give details on some areas which apply to all ESF we provide.
172. You need to receive documentary evidence of a participant's eligibility before they start the programme.

## Geographical eligibility

173. Wales, Scotland and Northern Ireland all have separate ESF programmes and individuals living outside England are not eligible to be supported.
174. For activity funded from the Convergence Objective, or the ring-fenced phasing-in funding (in areas within the Competitiveness Object), the activities must take place within the appropriate Convergence (Cornwall and the Isles of Scilly) or phasing-in area (Merseyside or South Yorkshire).
175. Beyond these rules, geographical eligibility for a particular ESF project will depend on the rules of the contract.
176. Eligibility for ESF is decided by referring to a participant's status on the day they begin the project. If a participant moves on or changes to another ESF-funded project, their eligibility is based on their status when they start the new project.

## Activity

177. The eligible activity under ESF provision will be governed by the rules of the offer pack or tender specification the contract was awarded to deliver. This will be explained in the contract.

## Age

178. Participants in ESF are defined by their actual age at the time of starting their programme of learning. You must refer to the funding agreement for the age range eligible for a specific contract.

## Participants starting on activity

179. All participants starting on ESF-funded activity must carry out individual assessment and planning activities before they start the main activity or qualification.

180. This activity will include information, advice and guidance (IAG), basic skills assessments, assessments of ability, learning plans and inductions.

181. It is essential that you identify any gaps in the skills of participants and that you either put in place provision to support those participants to improve or refer them to other appropriate provision.

182. You must assess all participants before or as soon as they enter ESF provision. You must make sure that the information gained as a result of the assessment appropriately identifies the needs of the participant. The results of the assessment must include details of previous competence and must be recorded and used to provide an individual learning plan (ILP) as part of the Learning Agreement.

183. The Learning Agreement must contain 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 taking account of the participant's learning styles and abilities. The Learning Agreement must be signed by the participant at the start of the learning activity.

184. All participants must receive a thorough induction that covers, at least, the following.

184.1. Programme content, delivery and assessment arrangements, including your contact details

184.2. How the programme is funded through ESF

184.3. Equality and diversity

- 184.4. Health and safety
- 184.5. Disciplinary, appeal and grievance procedures
- 184.6. Terms and conditions of learning.

### **Learning Support, exceptional Learning Support and learner support**

- 185. ESF funding agreements have the same support facilities as mainstream funding agreements. However, the cost of these services will be built into the unit price of the deliverables used for the contract.

### **Closing the project**

- 186. All services must be completed by the date shown in the funding agreement and all evidence of achievement must be in place by the final return, no later than three months after the end date. The contract will be brought in line with the final version of the funding agreement.
- 187. You must keep all original documentary evidence relating to invoices, management information and all other documents needed to prove you have delivered the services until at least 31 December 2022. You must make a declaration showing where you will store these documents and who will be responsible for looking after them.
- 188. All data on participants must be accurate and up to date, and you must correct any mistakes. Where necessary, all delivery statements for the services must be completed and processed correctly on the provider gateway. We will allow three months after the end date of the services set out in the funding agreement for you to provide correct data.
- 189. We will take account of the outcomes of audits we have carried out when checking on services. We will make sure that we correct any mistakes found from the audits or all necessary action has been taken. This information will have been provided within the provider financial assurance (PFA) report that we sent out after the audit. You need to be aware that the services may still be audited by the Department for Work and Pensions (DWP) or the European Community (EC) after the delivery has been finalised.
- 190. As required by the funding agreement, you must provide a final evaluation of the services. The evaluation will include:
  - 190.1. an overview of the service delivered
  - 190.2. publicity and communications carried out for the services

- 190.3. the effect on the cross-cutting themes of equal opportunities (breakdown of participants), sustainability and health (London only)
- 190.4. how the services fitted in with local needs
- 190.5. value for money
- 190.6. lessons learnt, and
- 190.7. a progression and exit strategy.

### **Priority 1, 4 and people who do not work**

- 191. The eligible groups of individuals who are not in work will be set out in the main funding agreement.
- 192. For the purposes of ESF, 'unemployed' means a participant is:
  - 192.1. either not in paid employment or is in paid employment working fewer than 16 hours a week and is signing on and reports their earnings to Jobcentre Plus
  - 192.2. available to start work, and
  - 192.3. looking for work, or waiting to start a job that they have already got.
- 193. For the purposes of ESF, 'economically inactive' means that a participant is not employed but does not meet the criteria for unemployment. People who are economically inactive must be:
  - 193.1. of working age
  - 193.2. not employed
  - 193.3. not self-employed, and
  - 193.4. not actively looking for work.
- 194. For the purposes of ESF, 'full-time education or training' means a participant is:
  - 194.1. in full-time education either in a school, a further education institution or a higher education institution
  - 194.2. in full-time workplace learning (including Apprenticeships, other workplace learning or foundation learning), or

- 194.3. in other education or training (including independent colleges or training centres or receiving training or education but not currently employed).
195. For the purposes of ESF, 'full-time' refers to education or training that is at least 12 guided learning hours a week for at least 10 weeks. Part-time education or training is education or training that does not meet these minimum time rules.
196. For the purposes of ESF, 'not in education, employment or training (NEET)' means that a participant is aged 14 to 19 and not in:
- 196.1. full-time education either in a school, a further education institution or a higher education institution
- 196.2. workplace learning (including Apprenticeships)
- 196.3. other education or training (including independent colleges or training centres or receiving training or part-time education but not currently employed), or
- 196.4. employment.
197. For the purposes of ESF, 'at risk of becoming NEET' means that a participant is aged 14 to 19 and has been identified as being at risk of becoming NEET by a referral agency such as the Connexions services or the youth offending team.

### **Priority 2, 5 and people who are employed**

198. Participants supported by priority 2 or 5 ESF provision must be employed, unless we state otherwise in the contract.
199. For the purposes of ESF, 'employed' means that the participant
- 199.1. has a contract of employment under which they must carry out work for the hours shown in the contract and for which they are paid, and
- 199.2. is employed for eight hours a week or more – participants with an irregular working pattern will be assessed using a four-week average.
200. This includes:
- 200.1. employees (people who work for a company and have their National Insurance contributions paid directly from their wages), and



- 200.2. self-employed people (someone who works for themselves and generally pays their National Insurance contributions themselves) – self-employed participants must be registered with HM Revenue & Customs as being self-employed.
201. Priority 2 and 5 can support participants who are under consultation or notice of redundancy, have been told by their employer that they are likely to be directly affected by downsizing or company closure locally, or have recently been made unemployed. Support for those at risk of redundancy must not involve wage subsidies but may include eligible activities such as retraining, increasing their skills and careers advice.

### **Publicity, cross-cutting themes and evaluation**

202. You must keep to our identity rules on all promotional materials or activities relating to delivering the contract, as set out in our identity guidelines website.
203. You and your subcontractors must keep to the ESF publicity rules, which are summarised below.
204. If we declare mainstream activity as match funding for ESF, you must also keep to the ESF publicity rules if you are a mainstream provider.
205. You must display the ESF logo and references to financial support from the ESF when ESF opportunities, activities and achievements are described or publicised. This includes but is not restricted to displaying them on:
- 205.1. all information and publicity materials, including websites, communications sent over the internet, correspondence and literature used by participants
  - 205.2. advertisements, press releases and other media-targeted materials, and
  - 205.3. all documents that are used with participants and partners, for example, enrolment documents, individual learning plans (ILPs), attendance records and internal certificates.
206. It is essential that you display any ESF plaques prominently at your and subcontractors' premises. You can get these plaques from us. If you need extra plaques, you should contact your relationship manager.
207. You must publicise your ESF-funded activity as widely as possible. At the very least, this includes:
- 207.1. preparing a communications plan at the start of the contract to make sure that approved marketing and publicity activity is

distributed throughout the project to tell the public and others about the launch, ongoing successes and end-of-contract achievements, and

- 207.2. using the ESF publicity toolkit to generate quality press releases, case studies and carry out media interviews to make sure you keep to these requirements.
208. At the monitoring meetings you must tell your relationship manager about all planned and actual publicity activity.
209. In your evaluation reports, you must provide an update of activity against the communication plan.
210. For more guidance, you should refer to the funding agreement and the ESF in England website.

### **Equal opportunities**

211. You must make sure that you actively promote equal opportunities in line with your public duty by law and you must prevent any discrimination. You can find guidance on the ESF in England website and in our Single Equality Scheme.
212. You must have an equal opportunities policy in place. We expect you to use the equal opportunities policy evaluation toolkit available on the ESF Works website.
213. You must take part in activities to keep a record of, review and improve your current equal opportunities practices and we will monitor your delivery arrangements as part of the arrangements for managing contracts.

### **Sustainable development**

214. You must have a sustainable development policy in place (see the ESF in England website). We expect you to use the sustainable development policy evaluation toolkit and the sustainability resources available on the ESF in England website. You need to record any actions arising in a strategy document or action plan and we will measure your progress towards these actions at monitoring visits. You should measure your performance against peer organisations to further improve performance and so you can share best practice.
215. You must also keep to all relevant environmental laws and regulations relating to delivering the contract.

## **Health (London only)**

216. If you are delivering ESF provision under the London Co-financing Plan, you need to tackle the regional cross-cutting theme of health.
217. We have developed a health performance management framework (PMF) and accompanying guidance to support providers of London's ESF to report on progress with this theme. You can find the PMF, guidance and appendices from the health cross-cutting theme webpage on the Greater London Authority's website.
218. You must complete the PMF within the first three months of starting to deliver your project and send it to us to review. We will monitor you against your self-assessment each year to identify progress and discuss further development. In particular, you must meet your responsibilities under this theme to:
- 218.1. complete the PMF and action plan
  - 218.2. carry out ongoing monitoring against the PMF assessment, and
  - 218.3. evaluate the effect.

## **Provision supporting NEETs, unemployed and redundancy (14 to 19)**

219. The rules set out in this document apply to all funding agreements awarded to deliver provision unless we say otherwise in the contract.

## **Evaluation and annual reporting**

220. To help you report on the services, you must, if we ask, be able to give us examples of:
- 220.1. measures taken to provide information on and publicise the services
  - 220.2. putting the cross-cutting themes of equal opportunities and sustainable development into practice, and
  - 220.3. case studies of good-practice projects.
221. If the contract allows, you must fill in a project evaluation report. This report will cover the number of participants helped, their backgrounds, the support measures provided and the qualifications gained. The report must also provide, but not be limited to, an overview of the complete project, details on the sustainability of the project after ESF funding ends and include 'good news' stories and case studies.

222. You must co-operate with any programme-level evaluation projects led by the DWP's ESF Division or their appointed consultants who will contact you direct.

### State Aid

223. State Aid involves using funding from a public body to provide support in a commercial enterprise that might distort competition and affect trade in the European Union. ESF learning provision in priority 2 and priority 5 delivered to meet the training needs of the employer, as opposed to those of an individual employee, could be considered to be State Aid and could be recovered from the employer. To avoid recovery, you must keep to EC State Aid regulations for 'de minimis' support and training aid.

224. Under de minimis rules for State Aid, an enterprise must not receive more than €200,000 financial support from public or publicly funded sources in a rolling period of three financial years. You must show that you have checked the level of financial support from public sources to any enterprise which benefits from the services delivered under ESF contracts.

225. You must do this when an individual recruited through a commercial enterprise receives training or support that is not freely available to all – in other words, is not covered by an entitlement to funding from us. Any ESF provision that provides support to employers or their employees, including any learning delivered above the statutory entitlement of level 2, must be declared as a State Aid under de minimis rules.

226. If the State Aid given to an enterprise goes over the €200,000 limit for de minimis through ESF provision, you can deliver ESF provision using training aid, where the enterprise makes a contribution to the cost of the training.

### Audit

227. If you are chosen as part of an ESF audit sample – for either ESF or match provision – you must meet our requests to supply evidence to support ESF or match activity and, where appropriate, to allow external ESF auditors into your premises.

### Evidence required

As well as the Learning Agreement we will require evidence of the following.

See paragraph 167 - Evidence of an assessment that the participant is both living legally in the UK and able to take paid employment in a EU Member State, plus confirmation by the participant that the information supplied and recorded is correct and accurate.

Paragraph 168 - Evidence of an assessment that the participant coming to the UK with a valid work permit is eligible, plus confirmation by the participant that the information supplied and recorded is correct and accurate.

Paragraph 172 - Evidence of an assessment that the participant is ordinarily resident in England and meets the geographical eligibility for the ESF contract, plus confirmation by the participant that the information supplied and recorded is correct and accurate.

Paragraph 175 - Evidence of an assessment of the participant's employment status, plus confirmation by the participant that the information supplied and recorded is correct and accurate.

Paragraph 186 - Evidence that you have achieved your project outputs and outcomes (planned targets) against the main funding milestones and elements, as shown in the ESF contract delivery annexes.

Paragraph 178 - Evidence of an assessment that the participant is of an eligible age for the ESF contract plus confirmation by the participant that the information supplied and recorded is correct and accurate.

Paragraphs 182 to 185 - Evidence to prove you have achieved the project outputs and outcomes (planned targets) against the main funding milestones and elements, as shown in the ESF contract delivery annexes.

Paragraph 187 - A signed declaration at the end of the contract term that states the arrangements in place to store and retrieve all documents needed to check the ESF provision delivered by you and your subcontractors until at least 31 December 2022.

Paragraph 188 - Complete and correct ILR data and delivery statements sent to us within three months of the end of the project.

Paragraph 190 - A standard project closure report citing project records, narrative reports, general knowledge and experience of delivering the project. A separate participant data statistics report based on data gathered from participant records.

Paragraph 191 - You must refer to your funding agreement for specific conditions.

Paragraph 205 - Copies of documents describing, recording or publicising ESF projects which display the ESF logo and a statement that the project activity is part-financed by the European Social Fund.

Paragraph 206 - ESF plaques must be visible to all staff and participants in a prominent place within your premises.

Paragraph 207 - Evidence that you have produced and published a communications plan and publicity materials that keep to ESF publicity and logo requirements.

Paragraph 208 - Correspondence with us about all planned and actual publicity activity at monitoring meetings.

Paragraph 209 - Project evaluation reports and supporting documents including updates to ESF communication plans.

Paragraph 211 - Evidence that you have consulted both the ESF Gender Equality and Equal Opportunities Mainstreaming Plan (from the ESF for England website) and our Single Equality Scheme when actively promoting equal opportunities.

Paragraph 212 - Your equal opportunities policy produced using the equal opportunities policy evaluation toolkit from the ESF Works website.

Paragraph 213 - Evidence to show how you have documented, reviewed and improved your equal opportunities policy and the monitoring of delivery arrangements by our relationship manager.

Paragraph 214 - Your sustainable development policy produced using the sustainable development policy evaluation toolkit from the ESF Works website.

Paragraph 218 - Your completed health performance management framework and action plan, produced using the guidance from the Greater London Authority's website. This applies if you are delivering provision within the London Co-financing Plan Region only.

Paragraph 221 - Project evaluation reports and supporting documents.

Paragraph 224 - You must be able to prove that you have regularly checked your financial support from public sources, if your employees are potential participants under an ESF contract. You must get a completed de minimis declaration form from affected enterprises each financial year, to make sure each enterprise does not break the €200,000 limit. You can get template forms from your relationship manager.

Paragraph 226 - Where training aid is applied, you must get a completed ESF training aid declaration form from each affected enterprise (this is different and separate from the declaration.) Declarations from enterprises must show the training activity carried out, the agreed participant outcomes and the intended training dates. You can get template forms from your relationship manager.

## Community Learning (CL)

Community Learning includes a range of community-based learning opportunities, generally managed and delivered by local authorities and further education colleges. This broad range of courses, which are usually non-regulated, is designed to bring together adults (often of different ages and backgrounds) by helping them to pursue an interest, address a need, gain a new skill, become healthier, or learn how to better support their children. Community Learning funding will now be considered to be a contribution in locally-owned community networks with clear strategic plans, priorities, objectives and learner outcomes which can only be achieved if there is extra funding over and above that available from the Government.

The purpose of the funding we contribute is to enable providers to deliver learning that meets local needs and shares the objectives set out in 'New Challenges, New Chances' December 2011. In particular, the funding must:

- maximise access to community learning for adults, bringing new opportunities and improving lives, whatever people's circumstances
- promote social renewal by bringing local communities together to experience the joy of learning and the pride that comes with achievement, and
- maximise the effect community learning has on the social and economic well-being of individuals, families and communities.

### Meeting Community Learning objectives

228. Providers must have a strategy that can demonstrate how, in their geographical area, they have identified and will deliver a relevant balance of the objectives set out in '[New Challenges, New Chances](#)'. Within their strategy providers must:

- 228.1. set out how they will work in strong local partnerships to make sure their identified objectives are underpinned by the involvement of communities, local authorities, Local Enterprise Partnerships and other local stakeholders
- 228.2. have clear outcomes and appropriate measures capable of being evaluated by their community and local stakeholders
- 228.3. develop and put in place a robust financial strategy that adds to their Community Learning allocation, and
- 228.4. make sure that all adult learners funded through our contribution meet the eligibility criteria set out at paragraphs 1 to 6 in Annex 1.

## Assessment

229. Providers must make sure that, where appropriate, learners have access to:

- 229.1. initial assessment tools or processes
- 229.2. signposting to appropriate provision if their assessment reveals a need for basic skills, and
- 229.3. appropriate and recognised accreditation for those who want it.

## Provision

230. Providers must:

- 230.1. encourage and support progression (in its widest sense) by having systems in place to signpost learners to further learning as appropriate (although there is no requirement for learners to progress to other learning or achieve accredited outcomes), and
- 230.2. not use the Community Learning budget to fund courses leading to outcomes eligible for funding through the Adult Skills Budget (see note 5).

## Data

The funding rules no longer refer to Personal and Community Development Learning (PCDL), Neighbourhood Learning in Deprived Communities (NLDC), Wider Family Learning (WFL) and Family English, Maths and Language (FEML) as their aims are included in the objectives set out in New Challenges, New Chances.

231. Each year, providers receiving Community Learning funding must fill in a Funding Claim for Community Learning funding. (This claim form will be available on our [website](#).)

## Evidence required

As well as the Learning Agreement we will require evidence of the following.

Paragraph 231 – A filled-in Funding Claim for Community Learning for 2013/2014.

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Note 5: There are limited exceptions where non-regulated provision is not appropriate.



## Discretionary Learner Support (DLS)

Discretionary Learner Support (DLS) is aimed at supporting learners with a specific financial hardship that prevents them from taking part in learning. Before making an award, you need to identify the learner's specific financial hardship within the following areas.

- 19 or over and in financial hardship
- 20 or over with childcare issues
- Residential Access Fund

Learners who are eligible for support are not automatically entitled to it.

Learners funded through Loans can get access to DLS through the dedicated Loans Bursary Fund. There is more information on this in paragraphs 293 to 299.

### Administration

232. You can use up to 5% of your DLS allocation towards administrative costs. You must not set your bank charges against your DLS allocation.

233. DLS is provided by the Department for Business, Innovation and Skills. The 16-19 Bursary Fund is provided by the Department for Education.

234. There must be no transfer of funds between the 16-19 Bursary Fund and the 19+ Discretionary Learner Support Fund.

235. You must:

235.1. record and report on allocations for each of the three schemes (DLS will be allocated in the three separate funding schemes – 19+ Hardship, 20+ Childcare, Residential Access Fund) and you can transfer funding between the three schemes

235.2. have in place criteria for how you will administer and distribute your funds which must clearly reflect the principles of equality and diversity and be available to learners and us if we or they ask

235.3. make sure that learners meet the learner eligibility criteria in Annex 1

235.4. complete the appropriate Learner Support Reason (LSR) codes in the learner funding and monitoring fields in the ILR (not doing this properly will affect future DLS allocations)

235.5. complete a mid-year funding forecast in February

- 235.6. complete a final claim in October, and
  - 235.7. understand that we will recover any unspent funds and that payment for any provision above your allocation will be at our discretion. This may affect future allocation of DLS funds.
236. You must not use DLS as a means of support if the following apply:
- 236.1. The learner is fully funded by us and as such must not be charged for equipment and facilities so they can complete their learning aim, see paragraph 31 (however, fully funded learners can access DLS for childcare and residential costs)
  - 236.2. The learner is funded by a Loan. (These learners must be supported through the Loans Bursary Fund – see paragraphs 233-299)
  - 236.3. The learner is eligible but it is more appropriate for them to receive support through learning support for the same purpose
  - 236.4. The learner is already receiving help with travel or childcare costs from Jobcentre Plus or a Work Programme provider in connection with pre-employment training. (When you are making decisions about awarding public funds, you must take into account the availability of financial support for learners. You can find more details in Annex 1)
  - 236.5. The learner is in prison or a young offender institution, or has been released on temporary licence (RoTL), for example, on day release
  - 236.6. The learner is carrying out a higher education course, waged Apprenticeship or provision with learning aims that are identified as fully funded from other sources
  - 236.7. The learner is receiving an income and does not have a financial need. You must not use the funding to pay weekly attendance allowances or achievement and attendance bonuses.
237. Learners taking part in HE access courses will be able to apply for DLS funding as long as the learning aims are funded through the Adult Skills Budget.

## 19+ Hardship

19+ Hardship funding is provided to support vulnerable and disadvantaged learners and to remove barriers to education or training.

238. Types of support include the following. However, you can support learners based on learner needs and local circumstances:

238.1. Course-related costs including course trips, books and equipment, support with domestic emergencies and emergency accommodation

238.2. Transport – you must not use the fund to make a block contribution to post-16 transport partnerships or routinely fund transport costs that are covered in the local authority's statutory duty for learners of sixth form age

238.3. Examination fees

238.4. Accreditation fees, professional membership fees and any fees or charges due to external bodies

238.5. Your registration fees

238.6. Support provided to others, or by providing items or services or cash direct to the learner. This can be in the form of a grant or repayable loan. You must decide if conditions should be attached to payments, for example attendance agreements.

239. If an asylum seeker is eligible for provision you may provide learner support in the form of course-related books, equipment or a travel pass. Under no circumstances should you give an asylum seeker learner support in the form of cash.

## 20+ Childcare

20+ Childcare provides targeted childcare support for learners who are at risk of not starting learning, or not continuing learning, as a result of difficulty getting childcare.

240. You can only use childcare funding to pay for childcare with a provider who is registered with Ofsted.

241. Childcare funding must not be:

- 241.1. used to fund informal childcare, such as that provided by a relative
- 241.2. used by you to set up childcare places or to make a financial contribution to the costs of a crèche, or
- 241.3. used for 19-year-old learners. Instead you should direct them to the EFA Care to Learn Programme. DLS must not be used to top up childcare payments for those receiving 'care to learn'.

### **Residential Access Fund**

Residential Access funds provide support to learners receiving specialist provision which involves a residential element or to support learners who are unable to access provision locally. The fund can help learners live in private accommodation or in accommodation you own or manage.

242. You must:

- 242.1. set out clearly the criteria and procedures for considering and agreeing applications for support from your Residential Access funds
- 242.2. make payments to, and on behalf of, learners (the most you can pay each academic year is £4,079 within London and £3,458 outside London), and
- 242.3. pay for travel costs in exceptional circumstances only. You must give priority to learners who need accommodation.

### **Learner Support in Apprenticeships**

- 243. An apprentice must not contribute towards the cost of learning. It is expected that employed apprentices, where they have to take part in 'off-the-job' learning, will have their expenses paid for by their employer.
- 244. You must consider that those on Access to Apprenticeships have reasonable expenses met in full if these are needed to overcome barriers to learning.
- 245. You must get the agreement of your relationship manager if there is any doubt about whether we can refund certain types of expenses. For example, we will not pay the costs of apprentices' meals.

246. You and the employers must take account of apprentices' likely transport arrangements when planning off-the-job training.
247. You will claim for the costs of expenses for apprentices we fund. You must claim all costs during the funding year in which they are spent. We will not refund claims to you which you paid to apprentices in previous funding years and did not claim within the set timescales.

### **Evidence required**

As well as the Learning Agreement we will require evidence of the following.

Paragraph 235.5 – The mid-year funding forecast.

Paragraph 235.6 – The final claim form.

## 24+ Advanced Learning Loans

In 'New Challenges, New Chances' it was confirmed that the Government would introduce 24+ Advanced Learning Loans (Loans) from 2013/2014. The reasoning for this is to help people aged 24 or over carry out level 3 or 4 further education (FE) learning aims or advanced-level or higher-level Apprenticeship frameworks and access the funds they need to gain intermediate and higher-level skills.

248. For learners aged 24 or over, from 2013/2014 our funding for provision at level 3 and 4, and for advanced- or higher-level Apprenticeships, will end and be replaced with Loans. This does not apply to:

- 248.1. trade union representatives studying Trade Union Congress learning aims, and
- 248.2. ex-military personnel. In this case, we have an agreement with the Ministry of Defence (MoD) to fund ex-military personnel for their first full level-3 qualification. (You can find the full definition of ex-military personnel in Annex 1 paragraphs 57 to 59.)

## Qualifications funded through Loans

249. Loans can be used to fund the following types of publicly funded provision, no matter how the study is carried out. (See also note 6 below):

- 249.1. Programme of A-levels (including AS, A2 and full A-levels)
- 249.2. Quality Assurance Agency (QAA) Access to HE Diplomas
- 249.3. Qualifications and Credit Framework (QCF) Certificates at levels 3 and 4
- 249.4. Qualifications and Credit Framework (QCF) Diplomas at levels 3 and 4
- 249.5. Advanced-level Apprenticeship framework
- 249.6. Higher Apprenticeship framework (see note 7 below).

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Note 6: Page 9 of The Skills Funding Statement, December 2012, states that 'For the 2013/14 academic year onwards, funding above level 4 will be available only for higher Apprenticeships at level 5 and 6'.

Note 7: We do not fund 'prescribed higher education' (for example, a Degree or a Higher National) which is eligible for student support.

250. Units of qualifications and awards at level 3 and above, and learning delivered through the Code are not eligible for funding through a Loan.

### Number of Loans

251. Learners are entitled to up to four Loans, for four learning aims or Apprenticeship frameworks, where each Loan is for a different category of provision as listed in paragraph 249.

252. Learners will take out a Loan for a single learning aim or Apprenticeship framework.

252.1. In the case of a programme of up to four AS/A2/A-levels, the learner will make a Loan application for each AS/A2/A-level but the Student Loans Company (SLC) will treat the programme of AS/A2/A-levels as a single Loan entitlement. These applications must be made together or one after the other, with no breaks in learning.

253. The ability to access up to four Loans allows for progression however, there is not a requirement for a learner to be progressing through levels.

254. A learner cannot get a Loan for a learning aim when they have previously completed that type of learning aim, at the same level, through funding from a Loan. The only exception to this is where a learner progresses from a Subsidiary Diploma through to an Extended Diploma at the same level. In this situation, the progression is considered as a single Loan, and the Loan amount is amended through the Change of Circumstance process (see paragraphs 286 to 292 for more information).

255. If at any one time, a learner is taking more than one learning aim or Apprenticeship framework which is eligible for a Loan, the learner is eligible for only one Loan. The learner would need to get other funding for the other learning aim which is eligible for a Loan. The only exception to this is a programme of up to four AS/A2/A-Levels, where the Loans for each AS/A2/A-level are treated as an entitlement to a single Loan.

256. A learner may pay for their other learning aims, or if the learning aims are up to level 2, they may be eligible for funding from us in line with our funding rules 2013/2014.

257. If higher Apprenticeships include qualifications that are eligible for higher education student support, for example foundation degrees, learners will be able to make two separate Loan applications for the further education and higher education elements of their higher Apprenticeship.

258. We realise that some learners may need to change learning aims and may need a further Loan to complete their studies and progress successfully. As a result, every learner who has previously withdrawn from a learning aim will be given one more chance to access a repeat Loan, taking the potential maximum number of Loans up to five. This repeat Loan can only be for the same learning aim or the same type of learning aim at the same level that the learner previously withdrew from.

### **Deciding whether learners are eligible for a Loan**

259. Loans will be non-means-tested and will be available to eligible learners aged 24 and over studying in England for learning aims we approve at a provider we approve in England. For learners from Scotland, Wales and Northern Ireland, please see paragraph 26 in Annex 1.

260. The Student Loans Company will be responsible for assessing whether learners are eligible.

### **Loan amounts and financial contributions**

261. A learner will only be eligible to receive a Loan that is either equal to, or less than, the lower of the two values (shown below), with a minimum value of £300.

261.1. The funding rate in LARA (for advanced-level Apprenticeships and higher Apprenticeships the Loan available is up to 50% of the rate in LARA to reflect expected employer contributions)

261.2. Your fee, as shown in your 'learning and funding information letter' (see paragraph 264 for further details).

262. The Loan must cover all costs and charges for items which a learner cannot complete their course without.

263. We do not expect that you would need to charge more than the maximum Loan amount.

### **Information needed**

The SLC will be responsible for deciding whether a learner is eligible for a Loan and for making Loan payments to you on behalf of learners. If you are delivering provision funded by Loans, SLC will give you access to their [learning provider portal](#) (an interactive web-based service that will act as the main channel of communication between you and the SLC, which will be the method they use to confirm learner attendance and release Loan payments).



264. If the learner decides to apply for a Loan, you must give them information in the [‘learning and funding information letter’](#) to help them make their application. This letter is vital in the application process, as otherwise the learner will not have the relevant information to fill in either the paper or online Loan application. The letter must include:
- 264.1. the UK provider reference number (UKPRN)
  - 264.2. the learning aim reference number
  - 264.3. the title of the learning aim
  - 264.4. the name and code of the Apprenticeship framework level and pathway
  - 264.5. the learning aim or Apprenticeship framework start date and planned end date
  - 264.6. the fee charged to the learner, and
  - 264.7. the maximum amount of Loan available for the learning aim or Apprenticeship framework as published on LARA.
265. You will be able to see the status of the learner’s Loan application using the learning provider portal which is delivered by the SLC.
266. Once the learner’s Loan application has been approved and the learner has started the learning aim or Apprenticeship framework, you must confirm this to the SLC through the learning provider portal.
267. You can only confirm that the learner has started once the learner has been attending for at least two weeks. This is referred to as the ‘initial liability point’ and will either be:
- 267.1. two weeks from the learning aim or Apprenticeship framework’s start date, as shown on the Loan application form, or
  - 267.2. two weeks after the learner started their studies, if they started at a later date than the one given on the Loan application form. (In this situation you must tell SLC about the change to the start date through the learning provider portal.)
268. You must record the learner’s unique learner number (ULN) before you can confirm their attendance.
269. You must fill in an individualised learner record (ILR) for Loans-funded learners, and make sure that it matches the information you have filled in on the loans portal. Loans are recorded on the ILR as follows.

- 269.1. code 99 in the funding model field
- 269.2. 24+ Advanced Learning Loan indicator (and Loans Bursary if applicable) in the learning delivery funding and monitoring fields.
270. Loans-funded provision is included in the calculation of success rates in the same way as provision funded by us, using the ILR information that you have supplied. As a result, the six-week rule (where provision is exempt from success rates if a learner leaves within six weeks of the learning beginning) will continue to apply for the purposes of working out success rates.
271. You must return confirmation of attendance to the SLC every three months through the learning provider portal.
272. Between these confirmations, SLC will assume attendance each month. Because of this, you must let the SLC know if a learner withdraws from their learning aim or takes a break in their learning. You should do this through the change of circumstance functions in the learning provider portal.
273. You must confirm to the SLC if a learner does not attend. This can be either when a learner leaves their learning aim before the initial liability point, or if a learner has never attended.

## Payments

274. The SLC will make Loan payments to you using a flat monthly profile based on the initial liability point and the learning aim or Apprenticeship framework end date. So, if a learner takes out a Loan of £900 for a learning aim or Apprenticeship framework that will be delivered over nine months, you will receive nine separate monthly payments of £100 from the SLC.
275. Loans payments can only be made up to a maximum period of time. If the learning aim or Apprenticeship framework end date is later than the maximum period of time for payments, the payments will be scheduled to be paid in full (depending on any change of learner or provider circumstances) during the maximum period of time allowed for that learning aim or Apprenticeship framework. The maximum payment durations are as follows:
- 275.1. AS/A2/and A-level(s) – up to two years for each separate A-level
- 275.2. QAA Access to HE Diploma – up to two years
- 275.3. QCF level 3 Certificate – up to two years

- 275.4. QCF level 3 Diploma – up to three years
  - 275.5. QCF level 4 Certificate – up to two years
  - 275.6. QCF level 4 Diploma – up to three years
  - 275.7. Advanced-level Apprenticeship – up to three years
  - 275.8. Higher Apprenticeship – up to three years.
276. Payments will be made on a set date in each month.
277. Payments are based on the learner’s initial liability point and the end date of the learning aim or Apprenticeship framework. If the end date changes in the first three months of the learner starting the learning aim or Apprenticeship framework, payments will reflect the revised end date. If the change happens after the first three months, payments will stay the same as originally planned. The only exception to this, where the payments will reflect the new end date, will be where a learner takes a break in their learning and returns within 12 months. The three-month rule applies to SLC payment systems, and does not affect the ILR rules for recording planned end dates of learning aims and Apprenticeship frameworks.
278. If a learner completes their learning aim early, the SLC will make a balancing payment to you once you tell them about this using the learning provider portal.
279. A learner can change their Loan amount and either increase or reduce their original Loan amount. The SLC will change the Loan payments and repayment amounts as a result.
280. A learner will always be legally responsible for Loan payments you have already received. You will need to validate, through the learning provider portal, any changes made by the learner.
281. If a learner withdraws from a learning aim early, the learner will be legally responsible for the payments for the period in which they were in attendance only. Your payments for future months will then end.
282. There will be no separate payment of an achievement element for provision funded through a Loan.
283. There will be no separate job outcome payment for provision funded through a Loan.
284. The SLC will not apply a discount of the rate for an advanced-level or higher Apprenticeship if the apprentice is an employee of a large company.

285. The SLC will not apply the age 24+ discount for an advanced-level or higher Apprenticeship.

### **If the learner's circumstances change**

286. There will be times where a learner's details or circumstances may change.

287. All guidance for learners must emphasise the importance of telling the SLC about a change as this will reduce, as far as possible, the risk of a learner becoming legally responsible for a Loan for a learning aim or Apprenticeship framework they are no longer studying.

287.1. Detailed information and guidance for the provider is on the [Learning Provider Services website](#).

287.2. Learners can get information and guidance from the [National Careers Service website](#), [gov.co.uk](http://gov.co.uk) and the [Money Advice Service](#).

288. The following reasons may result in a learner's details or circumstances changing from the original information supplied in their initial application. In all cases the learner must tell the SLC when there has been a change.

288.1. A change in personal details

288.2. A change in provider

288.3. A change of learning aim or Apprenticeship framework details

288.4. A change of Loan amount or the fee you charge

288.5. Cancellation of an application

288.6. Withdrawal from the learning aim or Apprenticeship framework

288.7. Taking a break from learning or suspending or resuming learning.

289. If a learner changes provider during the learning aim or Apprenticeship framework, they must tell the SLC and be marked as a withdrawal with you. The learner will then need to reapply to the SLC for a Loan to continue their studies at the new provider.

### **Retrospective applications and changes**

290. A learner can apply for a Loan retrospectively (after the initial liability point but while still undertaking the learning aim or Apprenticeship

framework). When a learner applies for a Loan retrospectively, and they have already paid fees to a provider, if the Loan application includes the period a fee had already been paid for, then the provider must refund the learner (in order to avoid double funding).

291. A learner or provider will be able to raise a Change of Circumstance retrospectively. This must be raised while the learner is undertaking their learning aim or Apprenticeship framework.
292. If a learner has a Loan for 'Access to HE' Diploma courses written off, the provider payments will not be affected.

### **Evidence required**

As well as the Learning Agreement we will require evidence of the following.

Paragraph 264 - A completed learning and funding information letter for each learner.

## 24+ Advanced Learning Loans Bursary Fund

The Loans Bursary Fund is aimed at helping vulnerable learners such as those with learning difficulties or disabilities, parents who need help with childcare, and ex-military personnel.

The fund will be distributed as decided by the provider and is not an entitlement.

293. The Loans Bursary Fund is a separate allocation which will be paid monthly based on ILR returns, and claimed by the providers as a fixed monthly rate, with a higher rate paid for learners needing childcare or residential support. In exceptional circumstances, funding above the fixed monthly rate may be needed.

294. The Loans Bursary Fund will provide funding for the following.

294.1. Discretionary Learner Support (DLS) type activity for hardship, childcare and residential support. You will need to deal with this as bursary payments to learners.

294.2. Learning support (including exceptional Learning Support) type activity for 'in learning' support. For example, this includes support for teaching assistants or necessary adjustments under the Equality Act. You must make sure that you keep sufficient funding for this purpose.

295. The Loans Bursary Fund will also contain providers' area costs, which will be calculated automatically.

296. You must prioritise vulnerable groups. However, you can help other disadvantaged learners. You must consider the most appropriate fund to source from in circumstances when a learner is receiving funding from us and through a Loan at the same time.

297. You must refer to the DLS (see paragraphs 232 to 247) and Learning Support (see paragraphs 157 to 161) funding rules for general rules, but the following specific rules apply to the Loans Bursary Fund.

298. You must do the following.

298.1. Publish, by 1 April 2013, your methodology (including complaints procedures) for awarding the DLS element of the Loans Bursary Fund. Your criteria must clearly reflect equal opportunities and diversity and these criteria must be available to all learners and us if we ask

- 298.2. Only allocate the bursary fund to those eligible learners who have had a Loan approved by the Student Loans Company
- 298.3. carry out a robust assessment to identify the support the learner needs
- 298.4. agree and record the outcome of your assessment in the Learning Agreement
- 298.5. deliver support to meet the learner's identified needs, and review progress and continuing needs as appropriate
- 298.6. record all outcomes on the Learning Agreement and keep evidence of the assessment of the needs
- 298.7. Record funding needed above the fixed monthly rate to meet direct support costs
- 298.8. When making decisions about awarding Loans Bursary funds, take into account the availability of other financial support for learners, including support funding through the Department for Work and Pensions (DWP) and Jobcentre Plus (JCP) – for example, the JCP work programme (see Annex 1)
- 298.9. Fill in the relevant ILR field to show that a learner is receiving support. If you do not do this properly, it will affect payments of the Loans Bursary Fund and future allocations.

299. You must not:

- 299.1. Use Loans Bursary funding to pay learners' fees
- 299.2. use DLS or Learning Support to support learners funded by Loans
- 299.3. use Loans Bursary funding to cover costs and charges for items without which a learner could not complete their course as these should be charged in the course fee
- 299.4. transfer funding between the Loans Bursary Fund and the Adult Skills Budget DLS or Learning Support funds, or
- 299.5. transfer funding between the Loans Bursary Fund and any 16-19 learner support funds.

## Evidence required

As well as the Learning Agreement we will require evidence of the following.

Paragraph 298.3 - Evidence that the Learning Support element of the Loans Bursary Funding claimed is backed up by an assessment, that there is a planned programme of support included in the Learning Agreement, and there is evidence of the planned programme for providing additional support included in the Learning Agreement.

Paragraph 298.1 – Copy of your methodology for awarding the DLS element of the Loans Bursary Fund.



## Contracting and subcontracting

We will only fund providers that have a current funding agreement. There are two ways an organisation can have a direct legal relationship with the Chief Executive of Skills Funding:

- as a single legal entity (college, private or public organisation), or
- with other legal entities on a joint and several basis (so that the contract can be enforced against all or one of the legal entities).

If you want to receive funding or a Loans facility you must successfully complete the Due Diligence Assurance Gateway and enter the Register of Training Organisations (the Register). Arrangements are different for large employers funded to deliver training to their own employees. This reflects the outcome of the recent large employer simplification project. If you fall into this category, please contact the National Apprenticeship Service for advice.

300. To receive a contract or 24+ Advanced Learning Loan Facility Conditions from the Chief Executive, and be invited to tender for future education and training services, you must enter the Register by successfully completing the Due Diligence Assurance Gateway. You can find details of this on our [website](#).
301. Entry on the Register does not guarantee you will receive funding or a Loans facility. It does mean we will invite you to compete for future tendering opportunities based on the type of delivery you chose in your Due Diligence Assurance Gateway online questionnaire. Delivery depends on demand and will be in line with the current Skills Funding Statement. (Delivery programmes may change depending on demand and the current Skills Funding Statement.)
302. Large employers who receive direct grant funding from NAS must now pass the Due Diligence Assurance Gateway. For more information please contact your NAS account manager.
303. We also require all subcontractors with subcontracts totalling £100,000 and above to be entered on the Register. We will only invite those subcontractors who are entered on the Register to compete in future tender opportunities and move into a direct contract relationship.
304. Organisations that are not listed on the Register will not be invited to compete in future tenders and will not be considered for funding or a Loans facility until they successfully enter the Register of Training Organisations.
305. All lead providers and subcontractors must register on the UK Register of Learning Providers (UKRLP) and hold a valid UKPRN to be eligible to

receive funding or a Loans Facility, either directly or through a subcontracting arrangement.

306. Only organisations that prove they are financially robust and can give evidence of their track record of delivering provision to the required quality and standard will enter the Register.
307. When returning information to us, all organisations must make sure that their organisation name exactly matches the organisation name as it appears on UKRLP, their funding agreement, Companies House information (if this applies), the e-tendering portal and all other supporting documents.
308. We expect you to successfully complete the Due Diligence Gateway every year. If you fail to do so, we will give you one further opportunity to reapply. You will stay on the Register until you successfully refresh your information. However, until you do this successfully, you cannot take part in tenders and growth cases. If you fail to do this on your second attempt, we will remove you from the Register. If you have a funding agreement or 24+ Advanced Learning Loans Facility Conditions, this will end.
309. If an existing subcontractor fails the Due Diligence Assurance Gateway, until they successfully enter on the Register, we will suspend any growth cases submitted by their lead provider in relation to the subcontractor. This is because there is a risk that the delivery model is not working effectively and funds could be at risk. If the subcontractor fails to enter the Register, we will give them one further opportunity to reapply. If they fail on their second attempt, the lead contractor will end their subcontract.
310. If we find that you have given false information when completing the Due Diligence Assurance Gateway, we will remove you from the Register. If you receive funding or a Loans facility, we will review our contract with you.
311. If we receive a complaint or an allegation of irregularity about you, we will carry out a review to investigate that complaint. Until the review is complete, we will not invite you to compete for future tendering opportunities and will not consider you for an increase in your maximum contract value until the matter is decided.
312. If you are the subject of our intervention policy, we will not invite you to compete for tender opportunities or consider you for growth. We may remove or suspend you from the Register of Training Organisations.
313. If you want to transfer your contract to a new provider, you must write to us asking permission. You can only transfer a contract to an organisation that is on the Register.

## Subcontracting

We recognise the benefits that effective subcontracting can bring in extending the range and accessibility of provision. However, we continue to see instances of ineffective subcontracting practice. These instances have created financial problems and damaged the sector's reputation. In some cases, providers have needed to make substantial repayments to us.

Problems have been particularly apparent where the subcontracted provision has been whole programmes, or where learning has taken place at a distance from the funded provider.

We do not want to restrict providers from entering into subcontracting arrangements if these are in the best interests of learners and employers. Instead, these subcontracting funding rules are focused on helping providers to effectively subcontract and monitor the provision they subcontract.

We can, at any time, assess your arrangements for subcontracting. We can also require you to commission an independent report on these arrangements from a third party, such as your external auditors.

Through the work of the External Advisory Group on Supply Chain Management, two documents – the Common Accord and the Supply Chain Management: a good practice guide for the post 16 sector – have been produced to support providers in their supply chain management. We highly recommend that you routinely refer to these two documents during all stages of the subcontracting process. They can be found on the [website](#).

## Procurement

314. If you have not previously subcontracted provision we fund, you must get approval in writing before awarding a contract to a subcontractor.
315. When appointing subcontractors you must take steps to avoid conflicts of interest, and must tell the Chief Executive of Skills Funding, in writing, about any circumstances (for example, common directorships) which might give rise to an actual or perceived conflict of interest. You should not proceed to award the contract without the Chief Executive of Skills Funding's permission in writing.
316. You must not use the Register of Training Organisations as a substitute for carrying out your own checks when appointing subcontractors.
317. You must not appoint subcontractors that are not listed on the Register of Training Organisations if they already hold contracts with an overall value of £100,000 or above per academic year with one or more directly

funded providers, or if the subcontract from you would take the total value of their contracts over £100,000. In such cases, the subcontractor must be listed on the Register before you enter into a subcontract with them.

318. If any of the following circumstances apply, you must not enter into new subcontracting arrangements or extend existing arrangements. These conditions will continue until we are satisfied that the situations have been put right.

318.1. If Ofsted has rated your leadership and management as inadequate

318.2. If you do not meet our Minimum Standards

318.3. If the outcome of your annual financial health assessment we carry out is inadequate.

## Contracting

319. You remain ultimately responsible for all provision you have subcontracted.

320. You must make sure that learners and employers supported through subcontracting arrangements know about your and your subcontractor's roles and responsibilities in providing the learning.

321. You must have a legally binding contract with each subcontractor.

322. You must only award contracts for delivering funded provision to legal entities. If the legal entity is a registered company, it must be recorded as 'Active' on the Companies House database.

323. You must not award a contract to a legal entity if:

323.1. it has an above average risk warning from a credit agency

323.2. it has passed a resolution (or the court has made an order) to wind up or liquidate the company, or administrators have been appointed, or

323.3. its statutory accounts are overdue.

## Terms that must be included in contracts with subcontractors

We need certain levels of assurance that education and training provided by subcontractors will keep to our funding rules.

You must make sure that the terms of your subcontracts allow you to:

- monitor the subcontractor's activity
- have control over your subcontractors, and
- monitor the quality of education and training provided by subcontractors.

We do not provide a template for subcontracts, but you must make sure your subcontracts include the contents of this section. You should take your own legal advice on the wider terms and conditions of contracts you enter into with subcontractors.

324. Subcontractors must keep to our funding rules.
325. Subcontractors must provide Individualised Learner Record (ILR) data so your data returns to us accurately reflect your subcontractors' delivery information.
326. Subcontractors must give us, and any other person nominated by us, access to their premises and all documents relating to providing education and training funded by us.
327. Subcontractors must give you sufficient evidence to allow you to:
  - 327.1. assess their performance against Ofsted's Common Inspection Framework
  - 327.2. incorporate the evidence they provide into your self-assessment report, and
  - 327.3. guide the judgements and grades within your self-assessment report.
328. Subcontractors must always have suitably qualified staff available to provide the education and training we fund.
329. Subcontractors must co-operate to make sure that there is continuity of learning if the subcontract ends for any reason.
330. Subcontractors must tell you if evidence of any irregular financial or delivery activity arises. Irregular activity could include, but is not limited to:
  - 330.1. non-delivery of training when funds have been paid

- 330.2. sanctions imposed on the subcontractor by an awarding organisation
  - 330.3. an inadequate Ofsted grade
  - 330.4. complaints or allegations by learners, people working for the subcontractor or other relevant parties, and
  - 330.5. allegations of fraud.
331. All ESF clauses from your funding agreement with us must be included in the subcontract, even if the provision being subcontracted is not funded by ESF.
332. Subcontractors must not use our funding to make bids for or claims from any European funding on their own behalf or on our behalf.
333. Subcontractors must not use payments made as match funding for ESF Co-Financing Projects.

## Monitoring

334. You must make sure that any of your subcontractors holding contracts with an overall value of £100,000 or more a year are listed on the Register of Training Organisations.
335. You must carry out a regular and substantial programme of quality-assurance checks on the education and training provided by subcontractors, including visits at short notice and face-to-face interviews with staff and learners. The programme must cover whether the learners exist and are eligible, and involve direct observation of initial guidance, assessment and delivery of learning programmes. Your findings must be consistent with your expectations and the subcontractor's records.
336. You must make sure that any Apprenticeship provision that you subcontract meets all of the standards required of Apprenticeship delivery, including the requirements of the individual Apprenticeship frameworks, the Statement of Apprenticeship Quality and the rules in the Apprenticeship section of this document.
337. You must carry out an investigation, at your own cost, if there is any evidence of a subcontractor's irregular financial or delivery activity. You must report the outcome of the investigation, in writing, to your relationship manager. You must do this within 10 days of your investigation ending.

## Second-level subcontracting

338. You must get our approval in writing each year if you want to subcontract to a second level. We will only allow second-level subcontracting in exceptional circumstances.
339. You must declare any second-level subcontracting on your Subcontractor Declaration Form.

## Reporting subcontracting arrangements

340. You must provide a fully completed Subcontractor Declaration Form twice during 2013/2014. We will tell you the exact dates you must provide the form by. If you do not return the form on time, your payments will be suspended. If you do not subcontract, you must still provide the form to confirm this.
341. You must also update and return your Subcontractor Declaration Form if your subcontracting arrangements change during the year.

## Distributing income between you and your subcontractors

By law the Chief Executive must make the best use of resources when securing the provision of education and training. We will monitor the fees and charges associated with subcontracting to make sure enough funding is being allocated for providing high-quality education and training.

You must publish your supply-chain fees and charges policy and your actual end-of-year supply chain fees and charges.

Your fees and charges information should only include 'provision subcontracting'. Provision subcontracting is when you subcontract the delivery of full programmes or frameworks. It is not subcontracting the delivery of a service as part of the delivery of a programme (for example, buying the delivery of part of an Apprenticeship framework or outreach support).

If you are not sure whether your subcontracting arrangements are defined as 'provision subcontracting', discuss this with your relationship manager.

342. You must publish your supply-chain fees and charges policy on your website before entering into any subcontracting agreements for the 2013/2014 academic year.
343. You must, as a minimum, include the following in your supply-chain fees and charges policy:

- 343.1. Your reasoning for subcontracting
  - 343.2. The policy's contribution to improving your and your subcontractor's quality of teaching and learning
  - 343.3. The typical percentage range of fees retained to manage subcontractors, and how this range is calculated
  - 343.4. The support subcontractors will receive in return for the fee you charge
  - 343.5. If appropriate, the reason for any differences in fees charged for or support provided to different subcontractors
  - 343.6. Payment terms between you and your subcontractors – timing of payments in relation to delivering provision and timescale for paying invoices and claims for funding received
  - 343.7. How and when the policy is communicated to and discussed with current and potential subcontractors
  - 343.8. Timing for policy review
  - 343.9. Where the policy is published.
344. You must also publish data on the actual level of funding paid and retained for each of your subcontractors in 2013/2014. This data must be published within 30 days of the 2013/2014 ILR closing.
345. You must, as a minimum, include the following in your published supply-chain fees and charges:
- 345.1. Name of the subcontractor
  - 345.2. UKPRN number of the subcontractor
  - 345.3. Contract start and end date
  - 345.4. Type of provision (for example, 16-18 Apprenticeships, 19+ Apprenticeships, classroom learning, workplace learning)
  - 345.5. Funding we have paid to you for provision delivered by the subcontractor in that academic year
  - 345.6. Funding you have paid to your subcontractor for provision delivered in that academic year
  - 345.7. Funding you have retained in relation to each subcontractor for that academic year



345.8. If appropriate, funding your subcontractor has paid to you for services or support you have provided in connection with the subcontracted provision

346. You must publish this information on fees and charges alongside your supply-chain fees and charges policy to allow all your supply-chain fees and charges information to be viewed in context.

## Evidence required

As well as the Learning Agreement we will require evidence of the following.

Paragraph 314 – A request to subcontract, a report from external auditors, and a copy of approval from the Chief Executive of Skills Funding.

Paragraph 315 – Written details of anything that could be considered to give rise to a conflict of interests, and a copy of the response from the Chief Executive of Skills Funding.

Paragraph 317 and 334 – Evidence that the subcontractor is on the Register of Training Organisations and the UK Register of Learning Providers (UKRLP), and their UK Provider Registration Number (UKPRN).

Paragraph 321 – Copies of your subcontracts with each subcontractor.

Paragraph 322 and 323 – Copies of the process you follow and checks you carry out when appointing subcontractors.

Paragraph 337 – A copy of the investigation report, including follow-up actions and outcomes.

Paragraph 338 – A request to second-level subcontract and copy of approval to second-level subcontract.

Paragraph 340 and 341 – An up-to-date and fully filled-in Subcontractor Declaration Form.

Paragraph 342 and 343 – Evidence of a published supply-chain fees and charges policy, as set out in the funding rules.

Paragraph 344 to 346 – Evidence of funding paid and retained in relation to supply-chain fees and charges, as set out in the funding rules.

## Annex 1

### Eligibility for funding

#### Introduction

1. You must make sure that any learner you claim our funding for is eligible. You must remember that having the right to live or work in England does not make a person eligible for state funding for education and training. For example, an individual may have a right or permission to work in England, such as an individual on a student visa, but not to state funding for education or training.
2. To qualify for our funding, the individual must be eligible on the first day of starting the learning aim. If they have already started a learning aim when they were not eligible for our funding, any change in their circumstances making them eligible, will not result in us providing funding for this learning aim. However, we will fund learning aims in the future for this individual.
3. Eligibility to funding does not give the individual the right to funding, just the ability to be funded. This would depend on their circumstances, such as previous achievement, economic status, age and so on.
4. A central measure of eligibility is the amount of time an individual has been ordinarily resident in England. To work this out, you must ignore time spent in full-time education.
5. Most individuals who want to take part in learning will be eligible for funding if they meet three basic rules.
  - 5.1 They are a citizen of the United Kingdom and Islands or the European Economic Area (EEA)
  - 5.2 They have been ordinarily resident in the United Kingdom and Islands or the European Union (EU) or the European Economic Area (EEA) continuously for at least the previous three years on the first day of learning
  - 5.3 The learning is taking place in England.
6. Other individuals could be eligible who do not meet the above list.

#### Family members

7. We define a family member of a 'principal' (see the table over the page) as their husband, wife, civil partner, child or grandchild, or dependent parent or grandparent. A 'principal' is the individual who is the main or highest in the rank or importance when looking at eligibility of family members. A family member also includes those individuals recognised by the Home

Office and its agencies as a family member.

8. This table shows the eligibility for family members if:

- the family member is now ordinarily resident in England, but has not been ordinarily resident in the EEA for at least the previous three years before the start of learning, but
- the 'principal' family member has been resident for the required three years.

		'Principal' ordinarily resident in EEA for three years			
		UK citizen	EU citizen	Non-EU EEA citizen	Non-EEA citizen
Family member not ordinarily resident in EEA for three years	UK citizen	Eligible	Eligible	Eligible	Not eligible
	EU citizen	Eligible	Eligible	Eligible	Not eligible
	EEA citizen	Eligible	Eligible	Not eligible	Not eligible
	Non-EEA citizen	Eligible	Eligible	Not eligible	Not eligible

9. Family members of UK, EU and EEA citizens who have been ordinarily resident in the EEA for at least the previous three years before starting learning are eligible for funding.

### Non-EEA citizens

10. A non-EEA citizen is eligible for funding if they have permission granted by the UK Government to live in the UK, which is not for educational purposes, and has been ordinarily resident in the UK for at least the previous three years before the start of learning.

### Government decisions on an individual's immigration status

11. Anyone with any of the statuses listed below, and their husbands, wives, civil partners and children, are eligible for funding:

- Right of Abode
- Refugee Status
- Discretionary Leave to Enter

- Discretionary Leave to Remain
- Exceptional Leave to Enter
- Exceptional Leave to Remain
- Indefinite Leave to Enter
- Indefinite Leave to Remain
- Humanitarian protection.

## Refugees

12. Refugees recognised by the UK Government, along with their husband, wife, civil partner and children, are eligible for funding.

## Asylum seekers

13. Asylum seekers are eligible for funding if:

- they have legally been in the UK while their claim is being considered by the Home Office for longer than six months and no decision has been made, or
- they are in the care of the local authority and are receiving local authority support under s23C of s23CA Children Act 1989 or s21 National Assistance Act 1948.

14. An individual refused asylum will be also being eligible if:

- they appeal against a decision made by the UK Government against granting refugee status and no decision has been made after six months, or
- they are granted support under section 4 of the Immigration and Asylum Act 1999.

## 16- 18 Apprenticeships

15. As well as the main eligibility criteria, the following groups of 16- to 18-year-olds are eligible for funding for an Apprenticeship, if they:

- a) are accompanying or joining parents who have the Right of Abode, Leave to Enter or Leave to Remain in the UK (or accompanying or joining parents who are EEA nationals), or are children of diplomats
- b) are children of teachers coming to the UK on a teacher-exchange scheme
- c) are entering the UK (where not accompanied by their parents) and are British (or EEA) citizens
- d) have a passport that has been endorsed to show they have the Right of Abode in this country
- e) are an asylum seeker, or

- f) are placed in the care of a local authority.

### Children of Turkish migrant workers

16. A child of a lawfully employed Turkish worker is eligible if:

- the employed Turkish worker has been ordinarily resident in the UK at any time in the past, and
- the child has been ordinarily resident in the EEA or Turkey for the full three-year period before the start of their programme.

### Continuing learners

17. Learners who are following learning aims or a programme lasting more than one funding year, and are eligible for our funding at the start of their programme, will be eligible for funding for the whole length of the learning aim or programme. You will need to reassess the learner for any subsequent learning aims or programmes started in the current funding year which we can provide funding for.
18. Learners previously funded by the EFA, who we become responsible for funding if they continue their learning aim or programme in the next funding year after their 19th birthday, will be eligible for funding from us for those continued learning aims.
19. For people of all ages, eligibility for funding is based on the idea that any learner must be able to complete and achieve the learning aim or programme of study within the time that they have available. For example, if you know a learner is planning to leave England in three months and the learning aim is planned to take 12 months to complete and achieve, we cannot provide funding.
20. If a learner starts a learning aim that we do not fund, we cannot do so later, even if the learner's circumstances change or if funding becomes available.

### Definitions

#### Ordinarily resident

21. For funding purposes, a person is ordinarily resident in a country if they normally live in the country by choice, are allowed to live there by law, and return there after temporary trips outside the country.
22. If someone who has not been ordinarily resident in a country because they, their parent or their husband, wife or civil partner was working temporarily abroad, and they needed to go with them, we will treat them as if they were ordinarily resident of that country.

## **Civil partner**

23. This is a person who is in a civil partnership as recognised by the state,

## **EEA citizen**

24. Under the funding rules, this is an individual who is a citizen of Iceland, Liechtenstein, Switzerland and Norway. We recognise that all EU citizens, including UK citizens, are EEA citizens. However, we need to define the smaller group of non-EU EEA citizens separately.

## **'No recourse to public funds'**

25. In an individual's passport the UK Border Agency may have stamped 'No recourse to public funds'. 'Public funds' are defined in the immigration rules, and the benefits and services listed do not include education or any education funding. As a result, this condition in a passport makes no difference to a learner's eligibility, which must be decided under the normal eligibility conditions.

## **Learners from Wales, Scotland or Northern Ireland**

26. Wales, Scotland and Northern Ireland have their own funding arrangements. You must develop arrangements with the relevant administration if you are planning to deliver a significant quantity of learning to non-English residents.

27. In exceptional circumstances, we will consider funding an individual or a very small group of non-English individuals, if specialist skills training is not available other than in England and they want to travel to or live in England to study and learn. You must contact us for authorisation before you recruit anyone. We will take into account the circumstances of any request, but it is unlikely that we will authorise more than 10 individual starts within a funding year. You must not actively recruit learners from outside of England. If the group or provision is large enough, you must approach the relevant administration to get direct funding for those learners.

28. For workplace learning we will fund non-English resident learners (usually those learners living in Wales, Scotland or Northern Ireland) whose main employment and normal working premises are in England.

29. If an employer, based in the UK, bases their training provision only in England and this would include non-English residents, you must ask your relationship manager for permission to recruit. It is unlikely that we will authorise a group of more than 10 individual starts within a funding year.

30. We have funding arrangements with the funding councils for Wales and Scotland for providers who are close to the borders. This means providers

can deliver learning in England to non-English residents who fall within their catchment area or vice versa.

31. All learners who are ordinarily resident in the Channel Islands or Isle of Man will not be eligible for funding as the funding responsibility for their programmes is with their own independent governments.

### **Learners in the armed forces**

32. We recognise that British armed forces personnel may want to continue in education and training while serving their country. We will fund eligible programmes of study for service personnel, Ministry of Defence (MoD) personnel or civil and crown servants, their husbands, wives, civil partners and dependants in the following circumstances:

- If the person has their permanent address in other parts of the UK but is on a posting elsewhere in England or is in England with a member of the service personnel, Ministry of Defence (MoD) personnel or a civil servant
- If the person has their permanent address in England but is posted outside England as part of their work with the armed forces or is with a member of the service personnel, Ministry of Defence (MoD) personnel or a civil servant. This includes both cases where the person begins a learning aim or programme in England and is posted elsewhere while enrolled on this learning aim or programme, and cases where the person begins a learning aim or programme while posted outside England. In either case, we will fund the learning aim or programme until they finish it.

33. We treat members of the British armed forces posted outside of the EU as still ordinarily resident in the UK for eligibility purposes. This means that when they return to England, they do not have to be ordinarily resident in England for three years before being eligible. This also applies to the family members of these people. This eligibility will end three years after they leave the British armed forces, if the ex-member of the armed forces does not return to the UK during that time.

34. Individuals of other nationalities serving as members of the armed forces are eligible for funding throughout their period of service in the same way as members of the British armed forces. This includes the funding eligibility described above and their dependants living with them on their postings. This does not apply to family members who do not join members of the armed forces and instead stay outside of England.

### **Learners employed temporarily outside of England**

35. If a person who is ordinarily resident in England has to work outside of England for short periods as part of their job, they (and their dependants if they are ordinarily resident in England), are eligible for funding as long as

some of the learning takes place in England.

### Periods of study outside of England

36. If during learning some activity means the learner has to travel outside of England, they will continue to receive funding. However, we will not provide extra funding to cover the expense of this activity.

### Qualifying countries or areas that establish eligibility for our programme funding

37. Member states of the European Union:

Austria	Germany	Netherlands
Belgium	Greece	Poland
Bulgaria	Hungary	Portugal
Cyprus	Ireland	Romania
Czech Republic	Italy	Slovakia
Denmark	Latvia	Slovenia
Estonia	Lithuania	Spain
Finland	Luxembourg	Sweden
France	Malta	United Kingdom

### Notes on certain territories that fall within the EU

38. The following notes help to define those territories that we must treat as part of the EU for the purposes of the fees regulations:

**Cyprus:** the whole island became part of the EU on 1 May 2004. Living on any part of the island will qualify for EU residency.

**Finland:** this includes the Aland Islands.

**France:** the French Overseas Department (DOMS) (Guadeloupe, Martinique, French Guiana (Guyana), Reunion, Saint-Pierre et Miquelon and Saint Barthélemy) is part of metropolitan France and is part of the EU.

**Germany:** includes the territory of the former German Democratic Republic before German unification. The tax-free port of Heligoland is included within the EU.

**Portugal:** Madeira and the Azores are part of the EU. Macau is not.

**Spain:** the Balearic Islands, the Canaries, Ceuta and Melilla are part of the EU.

**United Kingdom:** Gibraltar is part of the territory of the EU. The Channel Islands and Isle of Man are part of the United Kingdom and Islands but not part of the EU.

**Other territories:** Andorra, Monaco, San Marino and the Vatican are not part of the EU.



## EEA and eligible overseas dependent territories

39. For overall funding eligibility purposes, the EEA is defined as all member states of the EU and Iceland, Liechtenstein, Switzerland, Norway and all the eligible British overseas territories and EU overseas territories listed below. In law, Switzerland is not part of the formally recognised EEA, but its nationals are similarly eligible under various international treaties signed by the UK and Swiss governments.
40. Learners who are nationals of certain British overseas territories and of certain European overseas territories are eligible for funding, depending on the usual three-year rule on living in England.

## Eligible British overseas territories

Anguilla  
Bermuda  
British Antarctic Territory  
British Indian Ocean Territory  
British Virgin Islands  
Cayman Islands  
Falkland Islands  
Henderson Island  
Montserrat  
Pitcairn, Ducie and Oeno Islands  
South Georgia and the South Sandwich Isles  
St Helena and its dependencies  
Turks and Caicos Islands

## Eligible overseas territories of other EU member states

Greenland and Faroe Isles  
Antilles (Bonaire, Curacao, Saba, St Eustatius and St Maarten)  
Aruba  
New Caledonia and its dependencies  
French Polynesia  
The Territory of Wallis and Futuna Islands  
Mayotte  
French Southern and Antarctic Territories

## Financial contributions

41. The following learners will be entitled to **full funding** for their learning programme.

### **Learners aged 19 or older for learning aims (see note 8 below) up to level 2**

- Learners who need help to move into work, progress in work or remove a barrier to getting into work and who are:
  - receiving Jobseeker's Allowance (JSA) (see note 9 below)
  - receiving Employment and Support Allowance (ESA) and are in the work-related activity group (WRAG), or
  - receiving Universal Credit because they are unemployed, and who are mandated (required) to undertake skills training.
- Learners studying English and maths learning aims as part of the new suite of English and maths qualifications.
- Trade union representatives studying Trade Union Congress (TUC) learning aims.
- Individuals who are unemployed and receiving any state benefits not listed above but who want to enter employment and believe skills training will help them to do so. Full funding is at your discretion. (This relates to the learner and not the type of benefit they are receiving.)
- Offenders in custody who are released on temporary licence (RoTL) following learning outside a prison environment and not funded through OLASS.

### **Learners aged 19 or older for learning aims up to level 3**

- An individual studying their first full level-3 qualification who has left the British armed forces (up to 10 years ago) after completing four or more years of service or who has been medically discharged, due to an injury in active service, after completing basic training. This includes those learners aged 24 and over.
- Trade union representatives studying Trade Union Congress (TUC) learning aims.

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Note 8: We will fully fund certain stand-alone qualifications in Health and Safety at work, food hygiene, first aid at work and fork lift truck.

Note 9: Including those receiving National Insurance credits only.

### **Learners aged 19 to 23**

**(The age applies on the day they actually start the learning aim, not their age at the start of the funding year.)**

- Entry or level-1 aims (not English or maths) if a learner is entitled to a full level-2 qualification, in that they must have prior learning accreditation of level 1 or below, but need a step up from basic skills to progress to a full level 2. If this relates to workplace learning, this learning aim must be vocational.
- An individual studying their first full level-2 qualification.
- An individual studying their first full level-3 qualification.
- A level-4 'jumper' studying their first level 4 or above without having achieved a first full level-3 qualification.

42. The following learners will be entitled to **co-funding** for their learning programme.

### **Learners aged 19 to 23**

- A full level-2 learning aim for individuals who have attained level 2 or above in classroom learning.
- A full level-2 learning aim for individuals who have attained level 2 or above in workplace learning, where the learner is employed by a small or medium-sized enterprise (SME). (An SME is an employer with fewer than 250 employees).
- Level-2 qualification not classified as full and delivered in classroom learning.
- A full level-3 or above learning aim for individuals who have attained level 3 or above in classroom learning.
- Level-3 qualification not classified as full and delivered in classroom learning.
- ESOL delivered in classroom learning.

### **Learners aged 24 or older for learning aims up to level 2**

- Entry or level-1 aims (not English or maths) if a learner is entitled to a full level-2 qualification, in that they must have prior learning accreditation of level 1 or below, but need a step up from basic skills to progress to a full level 2. If this relates to workplace learning, this learning aim must be vocational.
- A full level-2 learning aim for individuals who have achieved level 2 or above delivered in classroom learning.
- A full level-2 learning aim for individuals who have attained level 2 or above in workplace learning, where the learner is employed by a small or medium-sized enterprise (SME). (An SME is an employer with fewer than 250 employees).

- A non-full level-2 learning aim for those who have achieved level 2 or above, if this is not delivered in the workplace.
- ESOL delivered in classroom learning.

43. Learners continuing a learning aim or learning aims from 2012/2013 will continue to receive full funding as was decided in 2012/2013. This only applies to continuing learning aims or programmes. For example, a learner moving on from an Intermediate-level to an advanced-level Apprenticeship is classed as 'continued' learning and not 'continuing' and so the changes would apply to the new programme.

44. Learners with learning difficulties or disabilities who have a learning difficulty assessment (LDA) and have not completed the learning programme identified in that LDA as meeting their needs when they reach the age of 25 during the academic year 2012/2013, will receive full funding to complete that programme in the following circumstances:

- a. If the learner is placed with an independent specialist provider (ISP) and they have a learning difficulty assessment which confirmed that the learner's needs could only be met by the ISP
- b. The learner is following a programme of learning which is identified in their LDA as meeting their needs and they cannot complete before reaching their 25<sup>th</sup> birthday because of an unavoidable delay in the learner beginning the programme.

45. The LLDD learner will continue to make progress on the programme.

### English and maths qualifications

46. Below we have set out the learning suite of learning aims defined as English and maths qualifications. All of these qualifications are fully funded unless they are delivered as part of a 19+ Apprenticeship. They have a programme weighting of 1.0 apart from entry-level maths which has a programme weighting of 1.3.

Type of qualification	Level
GCSE English Language (A* to C)	level 2
GCSE maths (A* to C)	level 2
Functional skills qualification in English	entry level, level 1 and level 2
Functional skills qualification in Maths	entry level, level 1 and level 2
QCF English and maths qualifications and units	entry level, level 1 and level 2
Adult basic skills NQF Certificate in adult literacy (for continuing learners only and those enrolled on or before 31 August 2012)	entry level, level 1 and level 2
Adult basic skills NQF Certificate in adult numeracy (for continuing	entry level, level 1 and level 2

learners only and those enrolled on or before 31 August 2012)	
Units of SFL qualifications English and maths (for continuing learners only and those enrolled on or before 31 August 2012)	entry level, level 1 and level 2
Non-regulated English and maths learning aims	Pre-entry level, entry level, level 1 and level 2 based on National Literacy and Numeracy Standards

## ESOL Qualifications

47. The ESOL qualifications we fund are set out below:

Type of qualification	Level
GCSE English Language (A*-C)	level 2
Functional skills qualification in English	level 1 and level 2
Adult basic skills NQF Certificate in ESOL (Skills for life) (only if the operational end date is extended)	entry level, level 1 and level 2 (level 1 and 2 only if new assessments for a reading unit are put in place and accredited by Ofqual)
Units of adult basic skills NQF Certificate in ESOL (Skills for Life) qualifications (only if the operational end date is extended)	entry level, level 1 and level 2 (level 1 and 2 only if new assessments for a reading unit are put in place and accredited by Ofqual)
Non-regulated ESOL learning aims	pre-entry level, entry level, level 1 and level 2

## Employer contributions in workplace learning

48. We fully fund all Apprenticeship frameworks that are started before an apprentice's 19<sup>th</sup> birthday. If the apprentice progresses onto another framework, we will also fund this fully if it also started before the apprentice's 19<sup>th</sup> birthday.

49. We co-fund all Apprenticeship frameworks started on or after the apprentice's 19<sup>th</sup> birthday, unless they are entitled to enhanced funding.

50. Expected employer contributions in Apprenticeships and all other workplace learning can be made in the form of cash or by contributions to delivering the activity (for example, by using the employer's own staff, premises, materials or equipment when delivering the Apprenticeship). This paragraph does not apply to Joint Investment Programme funding.

51. You must make sure that the employer knows the financial value of the Government's financial contribution to training their apprentices.

52. The employer contribution is mandatory if the learning is defined within scope of State Aid or is delivered through the Joint Investment Programme. You must be able to give us evidence that the employer has made their contribution.

### **Large employers**

53. We will continue to reduce by 25% the funding rate for Apprenticeship provision for those aged 19 and over and other workplace provision delivered to and by large employers. This applies to all learners aged 19 and over including apprentices, and includes those already on these programmes as well as new learners. However, learners who are funding their Apprenticeship with a 24+ Advanced Learning Loan will not have their rate adjusted due to the size of their employer. We define a large employer as one with 1000 employees or more.

54. This 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.

55. We exclude registered charities, schools, colleges and universities from the rate reduction.

56. We provide a [frequently asked questions document](#) on the large employer rate, which gives more information.

### **Ministry of Defence – enhanced learning credits**

57. We will fully fund an individual studying their first full level-3 qualification if they left the British armed forces up to 10 years ago after completing four or more years of service or who has been medically discharged due to an injury in active service after completing basic training. This does not apply to Apprenticeship frameworks.

58. You must identify these learners by reporting learners with enhanced learning credits in the ILR using learning delivery monitoring code 128 in the learning delivery funding and monitoring fields.

59. The learner must also contact the Enhanced Learning Credits Administration Service who will confirm eligibility and send you proof of this.

### **Learner Support funding – considering other publicly funded benefits**

60. You must not use Discretionary Learner Support funds if other sources of funding are available.

61. From August 2011 all benefit claimants who have to carry out training (whether on a full-time or part-time basis) will have their travel and childcare costs met by Jobcentre Plus if this is relevant. Jobcentre Plus advisers will also decide whether to pay these expenses for people who access skills training on a voluntary basis.
62. You should ignore Disability Living Allowance when assessing disabled learners' income in relation to Discretionary Learner Support. This is so you avoid the risk of discrimination under the Disability Discrimination Act 1995.
63. The Social Security Amendment (Students and Income-related Benefits) Regulations 2000 set out how you should treat Discretionary Learner Support for benefit purposes. If a regular payment is made other than for living costs, it will be ignored and so will not affect the level of benefit to which the learner may be entitled. However, it is very important that you and the local authority make clear at the time you and they are making the payment to the learner the purpose for which the payment is given and whether it is one of a series, or a single lump-sum payment.
64. You may not use the funds to replace support already provided through national policy or legislation, for example, through state benefits. However, they can be used to provide temporary support with domestic emergencies and short-term emergency accommodation while the learner is waiting for benefit support.
65. You should be aware that Discretionary Learner Support falls within the definition of access funds for the purposes of Income Support (IS), Jobseeker's Allowance and Employment and Support Allowance. A learner receiving state benefits, for example Income Support or Housing Benefit, must declare if they received payments from Discretionary Learner Support.
66. The general rule is that if the payment is a lump-sum, one-off payment, it is treated as 'capital' (savings and investments). If it was intended for items covered by benefit, that is, food, ordinary clothing or footwear, household fuel, or rent for which Housing Benefit can be paid, the payment would count towards the person's total capital and would affect the benefit due if they had savings and investments of more than £6,000.
67. If the lump-sum payment was intended for other items, not covered by benefit, it would be ignored as capital for 52 weeks. If the learner received a series of payments, Jobcentre Plus would treat this as income. If the payments were intended for items covered by benefit, they would ignore £20 a week and take the rest into account as the person's income and so reduce the amount of benefit due. If the payments were intended for other items not covered by benefit, they would be fully ignored.

## Learning Agreement

68. The Learning Agreement is the main evidence to prove that the learner funding has been claimed for exists and is eligible for funding, and of the learning to be provided. It allows you to show that the learner has confirmed the information supplied by them as correct and that the information you have reported to us in the ILR is correct.
69. Both the learner and you must confirm the information in the Learning Agreement before the end of the threshold period of funded learning. We will remove the funding if you and they do not provide this confirmation.
70. You must update the Learning Agreement as necessary. You must keep Learning Agreements safe.
71. A Learning Agreement is not necessarily a single document but can be a collection of documents and information brought together to form a single point of reference relating to the learning that is taking place. It may be in paper, electronic or a mixture of formats. For example, enrolment forms, ILR data capture forms, induction checklists, initial assessments, training plans, confirmation letters to learners, self-declarations, attendance records, copies of certificates, result forms and so on.
72. If you hold information for more than one learner centrally, such as result lists, you only need to refer to that central store. For example, if you provide evidence of confirmation of achievement using an awarding organisation's online database, you do not need to put a copy in the Learning Agreement. We only need you to record the data on achievement and refer to the source of that evidence.
73. While recognising that different types of learners may need different approaches, the Learning Agreement relating to funding must at least confirm the following:
  - All information reported to us in the ILR, and if it applies, the supporting evidence of the data being reported
  - The assessment of eligibility for funding and a record of the evidence provided by the learner which you have seen
  - All initial, basic skills and diagnostic assessments
  - For 'personalised learning programmes', for example non-accredited formal learning, we will need full details of all the aspects of the learning to be carried out
  - An outline of how the learning and skills will be achieved
  - The assessment for the learner and employer contributions including the reason for full funding and the contribution to be made by the learner or employer
  - The learning support identified through assessment provided to the learner
  - Records of attendance to confirm they are still taking part in learning



- Learner Support provided to the learner, including the learner's application (if this applies) and details of how the payment will be made (grant or loan)
- Appropriate self-declarations on their status as a learner in terms of benefits, unemployment and gaining a job which are made by the learner
- A record and evidence of achievement which must be available within three months of you adding it to the ILR.

74. The Learning Agreement for an apprentice must also contain:

- the apprentice's job role and the framework associated with it
- relevant experience and achievements both in and outside their current working role
- the learning and skills they have to carry out while on their Apprenticeship outside of named qualifications
- the name of the employer and the agreed contracted hours of employment, the total planned length of the Apprenticeship, and
- confirmation that an Apprenticeship Agreement is in place, plus a copy of the Apprenticeship Agreement, or confirmation that the employer has been told about their legal duty in terms of the Apprenticeship Agreement if a copy is not available.

75. If a subcontractor delivers any provision for the learner, they must clearly give your name as well as theirs. This must match the information reported to us in your ILR.

76. You must keep a Learning Agreement to show you have the evidence needed to support the funding claimed. The Learning Agreement must be proportionate to the length of the learning programme and the characteristics of the learner. You can combine Learning Agreements with other documents to prevent any unnecessary duplication, such as enrolment and induction material.

### Apprenticeships alternative completion conditions – occupations and frameworks

Specified occupation	Framework
Assistant to the camera crew Broadcast assistant Post-production assistant Post-production runner Production assistant Production runner	Creative and Digital Media (Advanced)
Technical illustrator Junior graphic designer	Design (Advanced)
Venue and stage crew	Live Events and Promotion (Advanced)

Venue and stage crew support	Live Events and Promotion (Intermediate)
Lighting technician	Technical Theatre (Advanced)
Lighting technician assistant	Technical Theatre (Intermediate)
Deckhand within the sea fishing industry Share fisherman within the sea fishing industry	Maritime Occupations

### Apprenticeships - alternative completion conditions – list of exempt sports

Aquatics (diving, swimming, synchronised swimming, water polo)	Golf	Skiing - freestyle
Archery	Gymnastics	Skiing – Nordic combined
Athletics	Handball	Skiing – ski jumping
Badminton	Hockey	Skiing - snowboarding
Baseball and softball	Ice hockey	Squash
Basketball	Ice sledge hockey	Table tennis
Biathlon	Judo	Taekwondo
Bobsleigh and skeleton	Luge	Tennis
Boccia	Modern pentathlon	Triathlon
Boxing	Netball	Volleyball
Bowls	Powerlifting	Weightlifting
Canoeing	Rowing	Wheelchair basketball
Curling	Sailing	Wheelchair curling
Cycling	Shooting	Wheelchair fencing
Equestrian	Sitting volleyball	Wheelchair tennis
Fencing	Snowsport	Wheelchair rugby
Football (5-a-side)	Skating (figure, short track, speed)	Women's football
Football (7-a-side)	Skiing - alpine	Women's rugby union
Goalball (British Blind Sport)	Skiing – cross country	Wrestling



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