



Skills Funding
Agency

Apprenticeship funding: draft rules for employer-providers

May 2017 to March 2018

This document sets out the draft funding rules which will apply to all employer-providers following the introduction of the apprenticeship levy.

October 2016

Of interest to employer-providers.

Contents

Introduction and purpose of the document.....	2
Understanding the terminology	4
What is an apprenticeship?	6
Apprenticeship duration	7
Who can be funded?	8
Learners with learning difficulties and disabilities	11
What can be funded?	13
Additional payments.....	15
Extra support for small employers	16
Support for English and maths training	16
End-point assessments.....	17
Contracting and subcontracting	19
Paying for an apprenticeship	24
The price of an apprenticeship	24
When payments are made	25
Value added tax (VAT).....	26
Funds in your digital account.....	26
Qualifying days for funding.....	26
State aid.....	27
Recovery of funds	27
Delivering the apprenticeship.....	28
The commitment statement between the employer-provider and apprentice.....	28
Employment hours	29
Starting, participating, completing and leaving	29
Certification	30
Changes to the apprenticeship	31
Where training or assessment is no longer being delivered.....	31
Evidence requirements	32
Evidence pack.....	32
Confirmation and signatures	34
Individualised Learner Record (ILR).....	34
Self-declarations	34
Annex A - Exceptional eligibility criteria (who we fund).....	35
Exceptional eligibility status (To be read together with paragraphs 39 to 52)	35
Countries or areas where residency establishes eligibility for our funding	38

Introduction and purpose of the document

1. This document sets out the draft funding rules for employer-providers delivering the new apprenticeship programme from 1 May 2017.
2. We will work with employer-providers to ensure these rules are presented in the most appropriate way to suit their particular needs and to take into account their contracting approach and how they will access funding.
3. We use the term 'you' to refer to the 'employer-provider', that is, any organisation who delivers some, or all of the 'off-the-job' training element of an apprenticeship to their own staff and holds a contract with us through which we directly route funds from your digital account or government-employer co-investment. The employer-provider will have the overall responsibility for the training and on-programme assessment conducted by themselves, their subcontractors and end-point assessment conducted by apprentice assessment organisations.
4. We use the term 'employer' to mean an organisation that has a contract of employment with an apprentice. This may also include a company whose PAYE scheme you have connected to your digital account in accordance with HMRC's definition of connected companies.
5. The terms 'we', 'our', 'us' and 'SFA' refer to the Skills Funding Agency.
6. These rules will form part of your terms and conditions for the use of funds in your digital account or for government-employer co-investment and you must read them in conjunction with your funding agreement with the Secretary of State for Education acting through the Skills Funding Agency (the SFA), an executive agency of the Department for Education.
7. The SFA may make changes to these rules.
8. If you are an employer-provider delivering the new apprenticeship programme, you must operate within the terms and conditions of your funding agreement, these rules, and the [Individualised Learner Record \(ILR\) Specification](#). If you do not, you will be in breach of your funding agreement with the SFA.
9. You can contact us through our Business Operations Service Desk at servicedesk@sfa.bis.gov.uk or telephone 0370 2640001. You can also contact your provider management manager/adviser.
10. These rules will apply to all apprenticeship programmes starting on or after 1 May 2017. This includes both apprenticeship frameworks and standards. We will use the generic term apprenticeship for all types of apprenticeship, unless we state otherwise.

11. Any apprenticeship which started before 1 May 2017 will continue to follow the rules in the [documents](#) below.

11.1. Skills Funding Agency: common funding rules 2016 to 2017.

11.2. Apprenticeships: common funding rules 2016 to 2017.

11.3. Apprenticeship framework funding rules 2016 to 2017.

11.4. Apprenticeship standards funding rules 2016 to 2017.

Understanding the terminology

12. In this document we use the term ‘apprenticeship’ to mean the training and (where applicable) end-point assessment for an employee as part of a job with an accompanying skills development programme.
13. We use the term ‘apprentice’ to include all those who receive apprenticeship training and (where applicable) end-point assessment through an apprenticeship framework or standard funded by us.
14. We use the term ‘funding agreement’ to include:
 - 14.1. the apprenticeship employer agreement
 - 14.2. the apprenticeship provider funding agreement
 - 14.3. Apprenticeship funding: draft rules for employer-providers, May 2017 to March 2018
15. We use the term ‘this document’ to refer to the Apprenticeship funding: draft rules for employer-providers, May 2017 to March 2018.
16. We use the term ‘provider’ to include any organisation on the Register of Apprenticeship Training Providers and appointed by you for the delivery of training and on-programme assessment as part of your agreed apprenticeship programme. This includes companies, charities, bodies, colleges, universities, sole traders and other types of legal entity, including those who are in the same group as, or are associated with, the employer-provider. This excludes individuals who are self-employed or supplied by an employment agency and who are working under the employer-provider’s direction and control, in the same way as an employee.
17. We use the term ‘delivery subcontractor’ to include any organisation contracted through a main provider or employer-provider to deliver apprenticeship training or on-programme assessment. This excludes end-point assessment organisations and subcontractors you use for other purposes, including help with marketing or data management. This excludes subcontractors who delivering training to an apprentice that is in addition to the apprenticeship and not funded through this route.
18. We use the terms ‘standard’ and ‘apprenticeship standard’ to cover the apprenticeship standards which employers have designed and are available for delivery between May 2017 and March 2018. This is defined as those standards that have had their assessment plan approved and have been published alongside their allocated funding band.
19. We use the terms ‘framework’ and ‘apprenticeship framework’ to cover the apprenticeship frameworks which are available for delivery between May 2017 and March 2018.

20. We use the term apprentice assessment organisations to include any organisation on the [Register of Apprentice Assessment Organisations](#) (RAAO) and selected by the employer and contracted with you for the delivery of end-point assessment as part of your agreed apprenticeship programme.
21. We use the term ‘training’ to mean the delivery of training and on-programme assessment by a main provider or any organisation contracted to a main provider for this purpose.
22. From April 2017, all employers operating in the UK, with a pay bill of over £3 million each year will be required to contribute to a new apprenticeship levy. Employers can benefit from this investment by training apprentices.
23. The ‘digital apprenticeship service’ is the service that will allow employers to choose and pay for the apprenticeship training that they want and will support the uptake of apprenticeships. The service is designed primarily for employers, with information coming from a range of different sources, including training providers.
24. We use the term ‘employer’s digital account’ to mean the part of the digital apprenticeship service that will allow employers to view the funds that they have available to spend on apprenticeships in England and direct us to pay for their chosen apprenticeship training and end-point assessment.
25. We use the term ‘government-employer co-investment’ to mean funding that is not paid for from your digital account because there are insufficient levy funds. You will be required to make a mandatory co-investment with the government.

What is an apprenticeship?

26. An apprenticeship is a job with an accompanying skills development programme. Apprentices cannot be employed solely to deliver an apprenticeship; there must be a genuine job available after they have completed their apprenticeship. Apprentices gain the technical knowledge, practical experience and wider skills they need for their immediate job and future career. The apprentice gains this through a wide mix of learning in the workplace, formal off-the-job training and the opportunity to practise new skills in a real work environment.
27. Off-the-job training is defined as learning which is undertaken outside of the normal day-to-day working environment and leads towards the achievement of an apprenticeship. This can include training that is delivered at the apprentice's normal place of work but must not be delivered as part of their normal working duties. It cannot include any on-programme assessment required for an apprenticeship framework.
28. Apprentices must be an employee on the first day of their apprenticeship and be paid at least a wage consistent with the law for the time they are in work and in off-the-job training. You can find a full definition of an approved English apprenticeship on the [legislation website](#).
29. To use funds in your digital account or from government-employer co-investment for an apprenticeship, you must:
 - 29.1. retain evidence of the apprentice's employment
 - 29.2. be satisfied that this is the most appropriate learning programme and it is:
 - 29.2.1. a new job role, or
 - 29.2.2. an existing job role, where the individual needs significant new knowledge and skills and
 - 29.3. make sure the apprentice spends at least 20% of their time on off-the-job training
 - 29.4. make sure the job allows the apprentice to gain wider employment experience as part of the apprenticeship
30. An apprenticeship is a full-time programme. You must not use funds from your digital account or government-employer co-investment for any part of any apprentice's programme where either you or another party claim funding from another government department or other agency for the same purpose. This includes any funding from the Education Funding Agency for that individual.
31. You must not claim funding for any part of any apprentice's programme that duplicates provision they have received from any other source.

32. You must evidence that an apprentice has an [apprenticeship agreement](#) at the start of, and throughout, their apprenticeship, between you and the apprentice as defined in the [Apprenticeships, Skills, Children and Learning Act 2009](#).
 - 32.1. This can be a written statement of particulars under the [Employment Rights Act 1996](#), a contract of employment or a letter of engagement, where the employer's duty under the 1996 Act is treated as met.
 - 32.2. You must keep a copy of any revisions to the apprenticeship agreement resulting from a change in circumstance in the evidence pack.
33. A commitment statement (please see paragraphs 138 to 140) must be in place at the start, and for the entire length of the apprenticeship (and updated as needed), with signed copies. These must be redistributed to both parties (employer-provider and apprentice).

Apprenticeship duration

34. The minimum duration of an apprenticeship is one year unless the framework or standard specification or assessment plan requires it to be longer. In apprenticeship standards, the end-point assessment can only be taken after the minimum duration has been met. (Please see paragraph 87.)
35. You must not claim an apprenticeship framework completion certificate on behalf of the apprentice from Apprenticeship Certificates England if the minimum duration has not been met. For standards, you must ensure end-point assessment organisations do not claim the standard completion certificate from the certifying body if the minimum duration has not been met (please see paragraph 34).
36. You must make sure that the apprentice is involved in active learning or monitored workplace practice throughout an apprenticeship. The apprentice can, after achieving all mandatory requirements of an apprenticeship, stay in learning until they meet the minimum duration and embed the skills they have gained. You must have evidence that the apprentice continues in learning.
37. If the apprentice works fewer than 30 hours a week you must extend the minimum duration (pro rata) to take account of this. For example, if the apprentice only works 20 hours a week, you must extend the planned length by 50% – so, the apprentice must be in learning for at least 18 months. Where the working hours of an apprentice temporarily fall below 30 hours a week, you must extend the duration of the programme and record this in the Individualised Learner Record (ILR) at the end of learning using the actual end-date. You must not change the planned end-date on the ILR.
38. When an apprentice changes their framework or standard or returns after a break in learning:

- 38.1. you must have evidence that the total amount of time spent on their apprenticeship meets the minimum duration funding rule for the continued apprenticeship
- 38.2. if they start a new apprenticeship, previous durations do not apply in meeting the minimum duration requirements

Who can be funded?

39. You are responsible for checking the eligibility of the individual at the start of their apprenticeship programme and can only use funds in your digital account or government-employer co-investment for those who are eligible. You must retain evidence of the individual's eligibility.
40. To use funds in your digital account or government-employer co-investment, the individual must:
 - 40.1. start their apprenticeship after the last Friday in June of the academic year in which they have their 16th birthday
 - 40.2. be able to complete the apprenticeship within the time they have available; if you know an individual is unable to complete the apprenticeship in the time they have available, they cannot be funded
 - 40.3. not be enrolled on another apprenticeship at the same time as any new apprenticeship they start
 - 40.4. not be asked to contribute financially to the direct cost of learning or use a student loan to pay for their apprenticeship
 - 40.5. spend at least 50% of their working hours in England over the duration of the apprenticeship
 - 40.6. have the right to work in England
 - 40.7. be one of the following:
 - 40.7.1. a citizen of a country within the European Economic Area (EEA) (including other countries determined within the EEA or those with bilateral agreements), or have the right of abode in the UK, **and** have been ordinarily resident in the EEA (including other countries determined within the EEA or those with bilateral agreements), for at least the previous three years on the first day of learning
 - 40.7.2. a non-EEA citizen with permission from the UK government to live in the UK, (not for educational purposes) **and** have been ordinarily resident in the UK for at least the previous three years

before the start of learning

41. Annex A of this document includes further rules on individuals with unusual eligibility status as well as the list of all the countries and territories in the European Economic Area (EEA).
42. As an exception to the rules above, we will also allow the following individuals to be funded from your digital account or using government-employer co-investment.
 - 42.1. Armed forces and Royal Fleet Auxiliary personnel to undertake a statutory English apprenticeship wherever they are based in the United Kingdom.
 - 42.2. Members of other nations' armed forces stationed in England and their family members, where the family member has a right to work in the United Kingdom, if the armed forces' individual has been ordinarily resident in England for three years. We will not fund family members that stay outside of England.
 - 42.3. Apprentices whose occupation involves significant travel outside of the UK as part of their job (such as in travel or tourism) and they have an identified registered work location in England. You cannot claim for the additional expense of delivering learning outside of England.
43. Wales, Scotland and Northern Ireland have their own funding arrangements. You must develop arrangements with the relevant devolved administration if you are planning to deliver apprenticeships to individuals who do not spend at least 50% of their working hours in England over the duration of their apprenticeship in England, including time spent on off-the-job training.
44. You must not claim funding for individuals who do not meet the eligibility criteria set out in this document unless they are eligible under the Fees and Awards Regulations 2007 Act (as amended). This includes individuals who:
 - 44.1. are here illegally
 - 44.2. are resident in the United Kingdom on a Tier 4 (general) student visa unless they are eligible through meeting any other of the categories described above
 - 44.3. are non-EEA citizens in the United Kingdom on holiday, with or without a visa
 - 44.4. have overstayed their immigration or visitor visa
 - 44.5. are non-EEA citizens and are a family member of a person granted a Tier 4 visa, have been given immigration permission to stay in the UK and have not been ordinarily resident in the UK for the previous three years on the first day of learning

- 44.6. are ordinarily resident in the Channel Islands or Isle of Man, unless they are also ordinarily resident within England
- 44.7. have a biometric residence permit or residence permit imposing a study prohibition or restriction on the individual
45. You can only use funds in your digital account or employer-government co-investment for apprentices employed by you or a [connected company](#) as defined by HMRC. You must keep evidence of this in the evidence pack.
46. Any eligible individual can be funded to undertake an apprenticeship at a higher level than a qualification they already hold, including a previous apprenticeship.
47. We will fund an apprentice to undertake an apprenticeship at the same or lower level than a qualification they already hold, if the apprenticeship will allow the individual to acquire substantive new skills and you have evidence that the content of the training is materially different from any prior qualification or a previous apprenticeship.
48. The age of the apprentice on the day they start their apprenticeship will be used for all age-based eligibility criteria for that apprenticeship.
49. An apprentice's eligibility will not change during the apprenticeship, unless their employment status changes.
50. You must reassess an individual for any new apprenticeship.
51. Individuals who are not eligible for funding when they start an apprenticeship will not be funded for the same apprenticeship, even if they become eligible at a later date. If an individual becomes eligible, a different apprenticeship can be funded.
52. If you no longer employ the apprentice you must report them as having withdrawn from the apprenticeship on the ILR as soon as possible.

Learners with learning difficulties and disabilities

Learning support

Learning support is available so that apprentices with learning difficulties or disabilities can have the help they need to complete their apprenticeship training. This can be claimed up to the learning actual end-date. Learning support should also be claimed to meet the costs of putting in place a reasonable adjustment as part of the Equality Act 2010.

53. Learning support must not be used to deal with everyday difficulties that are not directly associated with an apprenticeship.
54. You must:
 - 54.1. carry out a thorough assessment to identify the support the apprentice needs
 - 54.2. agree and record the outcome of your assessment in the evidence pack
 - 54.3. deliver support to meet the apprentice's identified needs, and review progress and continuing needs, as appropriate
 - 54.4. record all outcomes in the evidence pack and keep evidence of the assessment of the needs
 - 54.5. report in the ILR that an apprentice has a learning support need
55. Learning support is earned at a fixed monthly rate, which should be enough to cover your costs. This will not be deducted from your digital account or require employer co-investment. If the support cost exceeds that earned from the fixed monthly rate, and you provide evidence of this, you can claim excess learning support using the Earnings Adjustment Statement (EAS). You can find further information about the EAS on [GOV.UK](https://www.gov.uk).
56. You must promptly claim for learning support through the ILR and the EAS. We will not pay you for claims from a previous funding year if you do not claim on time.
57. The maximum value of learning support each year claimed through the monthly rate, and excess learning support claimed through the EAS, is £19,000. If learning support costs for an apprentice exceeds this maximum, you will need to complete the Exceptional Learning Support (ELS) forms so we can authorise you to claim exceptional learning support. You can access the Exceptional Learning Support cost form on [GOV.UK](https://www.gov.uk).

58. To claim Exceptional Learning Support (ELS) for an apprentice aged 19 to 24 without an Education, Health and Care (EHC) plan, you must confirm why the individual does not have an EHC plan. This should be a letter or email from the apprentice's local authority stating the reason(s) why the individual does not need an EHC plan.

What can be funded?

59. You must make sure that the apprenticeship is eligible for funds in your digital account or government-employer co-investment before the individual starts. The [Hub](#) contains details of eligible apprenticeships. Apprentices can only be enrolled against an apprenticeship standard once we have approved and published the assessment plan on [GOV.UK](#).
60. Funds from your digital account or government-employer co-investment can only be used for activity directly related to the apprenticeship. These funds can only be used to pay for training, education and assessment, including end-point assessment, to attain an apprenticeship that is eligible for funding up to the limit of the agreed funding band. This includes the following.
 - 60.1. On-the-job and off-the-job training through an externally-contracted provider or evidenced costs for employer-provider delivery (please see paragraphs 119 to 120).
 - 60.2. Planned ongoing assessment and the formal end-point assessment including any costs associated with external quality assurance and the certification of the apprenticeship.
 - 60.3. E-learning (as part of blended learning that includes practical workplace learning).
 - 60.4. Registration, materials, examination and certification, where delivered as part of the apprenticeship programme.
 - 60.5. Any administration directly linked to the training, education and end-point assessment. For example, processing of the ILR and so on.
 - 60.6. Funding to re-take qualifications or non-accredited elements required for the apprenticeship providing additional learning takes place.
 - 60.7. Accommodation costs for learning delivered through residential modules where the residential learning is a requirement for all apprentices. Any costs for residential modules must represent value for money.
 - 60.8. To help an apprentice take part in a skills competition if you have evidence that participation in the competition directly contributes to helping that individual achieve the apprenticeship standard.
61. Funds in your digital account or government-employer co-investment cannot be used for any of the following.
 - 61.1. Enrolment, induction, prior assessment, initial diagnostic testing or similar activity.

- 61.2. Accommodation costs where the apprentice is resident away from their home base, because of the requirements of their day-to-day work or because this is convenient for the employer.
- 61.3. Travel costs for apprentices under any circumstances.
- 61.4. Apprentices' wages.
- 61.5. Personal protective clothing and safety equipment required by the apprentice to carry out their day-to-day work.
- 61.6. Capital purchases.
- 61.7. Any training or optional modules in excess of those required, educational trips or trips to professional events not specified in the apprenticeship standard or needed to achieve the apprenticeship framework.
- 61.8. Re-sits for qualifications or end-point assessment needed for the apprenticeship where no additional learning is required.
- 61.9. Time spent by employees / managers supporting apprentices, mentoring or the time of other employed staff arranging training support, except where this is directly linked to the training, education and end-point assessment for an employer-provider. For example, we would not expect to pay for any time spent by the apprentice's line manager for any of these activities.
- 61.10. Training assessment, exams or tests in any skills and knowledge solely and specifically required to acquire licences to practice, or the certification of any licence to practice, where these are a legal requirement that must be obtained by practitioners to confirm that the licence holder meets prescribed standards of competence for that sector or industry.
- 61.11. Specific services not related to the delivery and administration of the apprenticeship, including company induction, bespoke or additional training or assessment not needed to meet the apprenticeship requirements.
- 61.12. Off-the-job training delivered only by distance learning, although you can include online and other blended learning activity as part of the delivery of an apprenticeship.
- 61.13. Repeating the same regulated qualification where the apprentice has previously achieved it unless it is a requirement of the apprenticeship or for any GCSE where the apprentice has not achieved grade C, or 4, or higher.

Additional payments

62. You will receive a payment towards the additional cost associated with training if, at the start of the apprenticeship, the apprentice is:
 - 62.1. aged between 16 and 18 years old (or 15 years of age if the apprentice's 16th birthday is between the last Friday of June and 31 August)
 - 62.2. aged between 19 and 24 years old and has either an EHC plan provided by the local authority, or has been in the care of the local authority as defined in paragraph 63
 - 62.3. undertaking an apprenticeship framework and recorded on the ILR as having a postcode prior to enrolment listed within the 27% most deprived areas of the country according to the Index of Multiple Deprivation (IMD) 2015

63. A child in care is defined as:
 - 63.1. an eligible child - a young person who is 16 or 17 and who has been looked after by the local authority/Health and Social Care Trust for at least a period of 13 weeks since the age of 14, and who is still looked after
 - 63.2. a relevant child - a young person who is 16 or 17 who has left care after their 16th birthday and before leaving care was an eligible child
 - 63.3. a former relevant child - a young person who is aged between 18 and 21 (up to their 25th birthday if they are in education or training) who, before turning 18, was either an eligible or a relevant child, or both

64. Before any apprenticeship starts, you must have evidence that you are eligible for these payments in respect of each apprentice. You must check this and keep evidence in the evidence pack.

65. Where these payments are for apprentices aged between 19 and 24 years old at the start of their apprenticeship (please see paragraph 62.2), with an EHC plan or if they have been in the care of the local authority, you must have either:
 - 65.1. a signed, original declaration(s) from the apprentice to confirm they are a care leaver, or
 - 65.2. evidence of an EHC plan

66. These payments will be paid as follows.
 - 66.1. 90 days after the apprentice starts, 50% will be paid.

66.2. 365 days after the apprentice starts the remaining 50% will be paid.

67. Employer-providers can receive both employer and provider payments if they meet the eligibility criteria.

Extra support for small employers

68. Additional exceptions to these rules exist if you employ fewer than 50 people. You can find further information in the [Apprenticeship funding: draft rules for training providers, May 2017 to March 2018](#).

Support for English and maths training

69. We will fund apprentices to achieve qualifications in English or maths (or both), if they do not meet the required standard (please see below). This will be paid in full to you by the SFA at the rate we set, and will not be deducted from your digital account or require employer co-investment.
70. You can claim funding for apprentices who have not previously attained a GCSE grade A* to C (or 4 to 9) in English or maths on the day they start the following qualifications.
- 70.1. GCSE English language or maths.
 - 70.2. Functional Skills English or maths at Level 2.
71. We will fund Functional Skills English or maths below Levels 1 or 2 if you have conducted a thorough initial assessment using current assessment tools based on the national literacy and numeracy standards and core curriculum that show the apprentice needs to study a lower level before being able to achieve their Level 2.
72. In exceptional circumstances, we will fund:
- 72.1. [approved 'stepping-stone' qualifications](#) (including components, where applicable) to support progression to English or maths Functional Skills or GCSEs at Level 2 to address specific skills gaps
 - 72.2. re-takes of GCSE English or maths where the apprentice has a grade lower than grade 4 (or C) and they receive further teaching
 - 72.3. Ofqual-regulated and SFA-approved Level 1 and Level 2 awards and certificates in British Sign Language (BSL) as an alternative to Functional Skills English for apprentices whose first language is BSL
73. Apprentices studying an Advanced Early Years Education apprenticeship, must achieve the English and maths requirements through GCSE or iGCSE. We will not fund Functional Skills or other alternative qualifications for these apprentices.

74. Any English and maths requirements of the apprenticeship in addition to the above, must be funded within the funding band assigned to the apprenticeship and will be funded from the employer's digital account or through government-employer co-investment. Alternatively, it can be funded above the funding band and paid for in full by the employer.
75. For Level 2 apprenticeships where Level 2 English or maths are not required for the apprenticeship and the apprentice does not already hold acceptable qualifications (see published list) apprentices must:
 - 75.1. achieve a Functional Skills qualification of at least Level 1 English and maths before taking the end-point assessment or achieving an apprenticeship framework
 - 75.2. take the Level 2 English and maths test before they complete their apprenticeship but they do not have to achieve English and maths to complete their apprenticeship
76. For apprenticeships at Level 3 and above, or where Level 2 English and maths are a mandatory part of the framework and the apprentice does not already hold acceptable qualifications (please see published list):
 - 76.1. apprentices must achieve Level 2 Functional Skills or GCSE qualifications in English and maths before taking the end-point assessment or achieving an apprenticeship framework
77. If you cease trading or the apprentice is made redundant, the apprentice is allowed to continue with their English and maths up to, and including, Level 2 but this must be with a new training provider.
78. An apprentice must not be funded from the adult education budget for English or maths.

End-point assessments

79. End-point assessment is an holistic assessment of the knowledge, skills and behaviours which have been learnt throughout an apprenticeship standard. The requirements for end-point assessment are set out in the assessment plan for the specific standard.
80. Apprentices will not be able to achieve an apprenticeship standard without satisfying all the requirements of the assessment plan, including the end-point assessment.
81. An apprentice can only take the end-point assessment once they have satisfied the gateway requirements set out in the assessment plan and you are content they have attained sufficient skills, knowledge and behaviours.

82. You must select an apprentice assessment organisation to deliver the end-point assessment from the [Register of Apprentice Assessment Organisations](#) (RAAO). Only those organisations listed on the RAAO will be eligible to be funded.
83. Although you may be involved in arrangements for end-point assessment, the assessment itself must be independent and meet the requirements set out in the assessment plan for the standard. Employer-providers who have delivered the training must not undertake end-point assessment for that same group of apprentices.
84. The exception to this rule is any standard identified as an 'Integrated Degree Level Standard' where the end-point assessment organisation has degree awarding power.
85. Where an independent assessment is required, you must contract with the assessment organisation and have a written agreement in place with them and make payment to them for conducting the end-point assessment. The written agreement must set out the arrangements for end-point assessment, including arrangements for any re-takes and payments.
86. You must ensure that the costs that you claim for the apprenticeship include the amount needed to pay for the end-point assessment (including any re-takes). This includes the cost of external quality assurance, which involves an external body (as named in the assessment plan) ensuring consistency of quality and approach to end-point assessment against a particular standard, regardless of which apprentice assessment organisation has carried it out. You must ensure that you engage actively with any request for information from the external body, where applicable.
87. The end-point assessment can only be taken after the minimum duration has been completed (please see paragraph 34). You must ensure that the entire duration of the apprenticeship standard for both training and end-point assessment is recorded on the ILR as a minimum of 372 days to be eligible for funding.
88. You must keep evidence of payments made to the apprentice assessment organisation for conducting the end-point assessment.

Contracting and subcontracting

Main providers directly delivering training or on-programme assessment

89. Funding for each apprenticeship will be routed through you, the employer-provider.
90. You must directly deliver some of the apprenticeship training and/or on-programme assessment associated with your apprenticeship programme. The volume of training and/or on-programme assessment that you directly deliver must have some substance and cannot be a token amount to satisfy this rule. It should not be limited to a brief input at the start of each apprenticeship or involve delivery to just a few of a large number of apprentices.

Using subcontractors

91. You must take your own legal advice about the impact of Public Contracts Regulations 2015 on your recruitment of delivery subcontractors and have this advice available for inspection by us on request.
92. Delivery subcontractors can deliver full or part apprenticeship frameworks and standards.
93. You must only use delivery subcontractors that satisfy one of the following three criteria.
 - 93.1. They are on the published Register of Apprenticeship Training Providers and have applied via the main or supporting application routes.
 - 93.2. They are one of your connected companies as defined by HMRC and are on the published Register of Apprenticeship Training Providers, having applied through the employer-provider application route.
 - 93.3. They are not on the published Register of Apprenticeship Training Providers but will deliver less than £100,000 of apprenticeship training and on-programme assessment under contract across all main providers and employer-providers between 1 May 2017 and 31 March 2018.
94. You must carry out your own due diligence checks on potential delivery subcontractors. The process and results must be available for inspection by us. You must not use a potential delivery subcontractor's presence on the Register of Apprenticeship Training Providers, or any other public register or database, as an indicator that they are suitable to deliver to your specific requirements.
95. You must not use a delivery subcontractor whose quality of delivery is demonstrably inadequate.

96. You must have robust procedures in place to ensure you do not inadvertently fund extremist organisations through subcontracting of apprenticeship training and/or on-programme assessment.
97. You must not subcontract apprenticeship training and/or on-programme assessment to a second level. All of your delivery subcontractors must be contracted directly by you.

Delivery of apprenticeship training and on-programme assessment by delivery-subcontractors

98. You are responsible for all of the actions of your delivery subcontractors that are connected to, or arise out of, all the apprenticeship training and on-programme assessment that you subcontract.
99. You carry overall responsibility for the quality of apprenticeship training and on-programme assessment undertaken by your delivery subcontractors.
100. You must manage and monitor all of your delivery subcontractors to ensure that high-quality delivery is taking place that meets our funding rules.
101. You must carry out a regular and substantial programme of quality-assurance checks on the apprenticeship training and on-programme assessment provided by delivery subcontractors, including visits at short notice and face-to-face interviews with staff and learners. The programme must:
 - 101.1. include whether the learners exist and are eligible
 - 101.2. involve direct observation of initial guidance, assessment and delivery of training and/or on-programme assessment
102. Your findings must be consistent with these funding rules, your expectations and the subcontractor's records. You must report any instances to us where this is not the case.
103. If any of your delivery subcontractors undergoes a change of circumstances that affects its ability to continue to deliver under a subcontract with you, you must make alternative delivery arrangements for each affected apprentice, in agreement with their employer. This includes going into liquidation, administration, key delivery staff leaving the organisation, or removal from the Register of Apprenticeship Training Providers. The change of delivery arrangement must be recorded in your written agreement with the employer.

Contracting with delivery subcontractors

104. You must have a legally binding contract with each delivery subcontractor.

105. You must obtain an annual report from an external auditor if the apprenticeship contracts with your delivery subcontractors will exceed £100,000 in any one financial year. The report must provide assurance on the arrangements to manage and control your delivery subcontractors. The report must comply with any guidance issued by us. You must supply us with a certificate signed by the external auditor and an authorised signatory to confirm you have received a report that provides satisfactory assurance. We may ask you to provide a copy of the full report.
106. Your contract with each delivery subcontractor must specify the following.
- 106.1. They must keep to our funding rules.
 - 106.2. They must provide you with ILR data so that your data returns to us accurately reflect delivery information.
 - 106.3. They must give us, and any other person nominated by us, access to their premises and all documents related to their delivery of apprenticeships.
 - 106.4. They must give you sufficient evidence to allow you to:
 - 106.4.1. assess their performance against Ofsted's Common Inspection Framework
 - 106.4.2. incorporate the evidence they provide into your self-assessment report
 - 106.4.3. guide the judgements and grades within your self-assessment report
 - 106.5. They must always have suitably qualified staff available to provide apprenticeship training and/or on-programme assessment.
 - 106.6. They must co-operate with you to ensure that there is continuity of learning for apprentices if the subcontract ends for any reason.
 - 106.7. They must tell you if evidence of irregular financial or delivery issues arises. This could include, but is not limited to, non-delivery of training when funds have been paid, sanctions imposed by an awarding organisation, allegations of fraud, an inadequate Ofsted grade, allegations or complaints by learners, employers, staff members or other relevant parties.
 - 106.8. They must not use our funding to make bids for, or claims from, any European funding on their own behalf or on our behalf.

- 106.9. They must not use payments made as match funding for ESF projects.

Special conditions for subcontracting to employer-providers

107. Organisations who have successfully applied through the employer-provider route of the Register of Apprenticeship Training Providers are only eligible to deliver apprenticeship training and/or on-programme assessment to apprentices employed by them or a [connected company](#) as defined by HMRC. You must ensure any employer-providers who are delivery subcontractors to you, meet this requirement.
108. Employer-providers must evidence the actual costs of delivery of apprenticeship training and on-programme assessment (please see paragraphs 89 to 99 in Apprenticeship funding: - draft rules for employer-providers).

Special conditions for subcontracting to 'supporting' providers

109. Delivery subcontractors who have successfully applied to the supporting application route of the Register of Apprenticeship Training Providers cannot receive more than £500,000 of apprenticeship funding for their delivery from 1 April to 31 March each year (for the first year this is 1 May 2017 to 31 March 2018).
110. You must ensure that you are not involved in making payments to any 'supporting' provider that exceed £500,000 in any one year. We will place restrictions on your future use of delivery subcontractors if this occurs. We will permanently exclude any provider that has applied to the Register of Apprenticeship Training Providers through the supporting application route where they allow their funding to exceed this total in any one year.

Special conditions for subcontracting to organisations not on the Register of Apprenticeship Training Providers

111. Organisations who are not on the Register of Apprenticeship Training Providers cannot receive more than £100,000 of apprenticeship funding for their delivery from 1 April to 31 March each year (for the first year this is 1 May 2017 to 31 March 2018).
112. You must ensure that you are not one of a number of organisations making payments to any organisation not on the Register of Apprenticeship Training Providers that exceed £100,000 in any one year. We will place restrictions on your future use of delivery subcontractors if this occurs. We will permanently exclude any organisation from delivering apprenticeship training as a subcontractor where they allow their funding to exceed this total in any one year.

Reporting your use of delivery subcontractors to us

113. You must provide a fully completed Subcontractor Declaration Form by the dates we will give you. This will be at least twice between 1 May 2017 and 31 March 2018. If you do not return the form on time, we will suspend your payments. If you do not subcontract, you must still provide a nil return form to confirm this.

114. You must make apprentices aware that they can contact the apprenticeship helpline regarding apprenticeship concerns, complaints and enquiries. The contact number and website must also be included in the apprentice's commitment statement.

Paying for an apprenticeship

The price of an apprenticeship

Evidencing cost for employer-providers

115. You can receive funds from your digital account or government-employer co-investment for training delivered to your own employees if you are approved by us as an employer-provider on the Register of Apprenticeship Training Providers.
116. Approved employer-providers can directly deliver all or part of their apprenticeship training programme to their own employees or those employed by a connected company.
117. This delivery can be funded using funds in your digital account or government-employer co-investment.
118. You must report to the SFA the full cost of training and assessment including (where required) the end-point assessment for each apprentice, as this will determine how much of the funds in your digital account or government-employer co-investment can be paid.
119. You:
 - 119.1. must enter costs for training and end-point assessment (where applicable) on to the ILR
 - 119.2. must evidence how all costs are calculated; this can include payroll, pay slips, expense claims, hourly pay rates and training plans that include the hours of training delivered
 - 119.3. are allowed to claim salaries plus 'on-costs' of employees directly involved in the administration of apprenticeship training ('on costs' include employment costs such as employer pension contributions, national insurance and employee benefits; travel and subsistence costs for these employees can also be used if these directly relate to apprenticeship delivery
 - 119.4. are allowed to claim for accommodation and facilities where the employer can demonstrate that this has been used for training and/or end-point assessment for the apprentice during the time claimed
 - 119.5. cannot claim for employee's time for any activity not connected to the administration, training or on-programme assessment of the apprenticeship; bonuses or profit are also ineligible costs

120. If you evidence costs that are more than the maximum allowed by the funding band for the chosen apprenticeship, then you must pay in full the difference between the band maximum and the agreed price. This cannot be funded from the digital account or co-investment.
121. Where the employer-provider has insufficient funds in their digital account, the SFA will pay the government's co-investment contribution towards the costs of training and the employer will be expected to meet the remaining costs.
122. The only exceptions to this are:
 - 122.1. for English and maths to achieve the required government standard (please see paragraphs 69 to 78)
 - 122.2. where the employer qualifies for small employer support (please see paragraph 68)
 - 122.3. for any learning support (please see paragraphs 53 to 58)
123. You may subcontract the delivery of part of an apprenticeship to an approved external training provider and should follow the rules set out in paragraphs 91 to 114 for subcontracting.
124. We will monitor training and end-point assessment costs to ensure that you achieve best value, such as economies of scale, which you should take into consideration when you calculate delivery costs.
125. The costs of training and (where required) assessment must reflect any reduction in length or content of the apprenticeship to ensure that funds are not used to pay for skills already attained.

When payments are made

126. We will pay 80% of the cost up to the maximum value of the funding band, in equal monthly instalments according to the planned duration of the apprenticeship. This will be deducted from your digital account where funds are available.
127. We will pay the remaining balance of the agreed price up to the maximum value of the funding band when the apprentice has undertaken all the learning activity relevant to the apprenticeship, including:
 - 127.1. all mandatory elements of the framework or
 - 127.2. taking the end-point assessment for standards

128. The deductions from your digital account will mirror these payments where funds are available.

Value added tax (VAT)

129. Supplies of training which are paid by government funding, including the apprenticeship levy, are exempt from VAT. This includes additional payments (please see paragraphs 62 to 67). Prices entered on to the ILR should not include VAT.

130. The SFA does not provide advice on VAT. You must always seek your own advice on VAT from HMRC if you are in any doubt about VAT treatment.

Funds in your digital account

131. You must:

131.1. only add PAYE schemes for you or your connected companies (according to [HMRC's definition](#)) to your digital account

131.2. remove PAYE schemes from your digital account that are no longer operated by the employer associated with the account (or who leaves the group of connected companies)

131.3. ensure the PAYE scheme for the apprentice's employer is associated with the same digital account which records the apprenticeship for them

131.4. manage users associated with your account including:

131.4.1. removing users who are not authorised to act on your behalf

131.4.2. controlling who can add users

132. You are responsible for recording the required details of the apprenticeship in your digital account and this must correspond with the information recorded on the ILR.

Qualifying days for funding

133. The apprentice must be in learning for a minimum of 42 days between the learning start date and learning planned end-date before they qualify for funds from your digital account or government-employer co-investment, including learning support.

134. Where funding is paid for an apprentice who does not subsequently meet the qualifying period, we will recover the funding from you.

State aid

135. Funds in your digital account and government top-ups to funds in the digital account, government-employer co-investment and additional payments do not fall within the scope of state aid control from 1 May 2017 to 31 March 2018. Receipt of the AGE Grant by employers and the waiving of the employer contribution for small employers, (please see paragraph 68) are subject to state aid regulations.

Recovery of funds

136. We will review and monitor whether the training you provide represents good value for money. If we consider that the funds in your digital account, or government-employer co-investment we have provided, is significantly more than the cost of the education and training, we may reduce the amount of funding we pay you after consulting with you.
137. We may take action, including to recover all or part of government funding from you, where we are satisfied that there has been a breach of the funding rules. This includes where claims are made for funding through your digital account, government co-investment or additional payments to which you are not entitled.

Delivering the apprenticeship

The commitment statement between the employer-provider and apprentice

138. Before the apprenticeship starts you must ensure that you and the apprentice hold a signed copy of the commitment statement setting out how you will support the successful achievement of the apprenticeship. It must be signed by you and the apprentice, and both parties must keep a current signed and dated version as evidence.
139. Apprentices who are aged between 15 and 17 at the start of their apprenticeship must have their commitment statement signed by a parent or legal guardian until their 18th birthday.
140. The commitment statement must set out:
 - 140.1. the planned content and schedule for eligible training (and must also include end-point assessment if they are undertaking a standard)
 - 140.2. what is expected and offered by you and the apprentice to achieve the apprenticeship
 - 140.3. provide a short summary, typically no longer than two to three pages, and should include the following as a minimum:
 - 140.3.1. details of the apprenticeship being followed, including start and end-dates for the apprenticeship training and (where applicable) end-point assessment and key milestones for mandatory or other qualification achievements
 - 140.3.2. details on which elements are eligible for funding from your digital account or government-employer co-investment and necessary to meet any end-point assessment, those which are extra and not eligible for co-investment but will be fully funded by the employer-provider, and those fully funded by the SFA, including English and maths
 - 140.3.3. the list of all organisations delivering the training including English and maths and the apprentice assessment organisation (where applicable)
 - 140.3.4. roles and responsibilities for you and the apprentice and arrangements for how both parties will work together; this must include contact details and the expected commitment from each party to ensure the smooth running and day-to-day delivery of the apprenticeship, including, for example:
 - apprentice; attendance and study time

- employer-provider; commitment to wages and time off to study in the working day, support and guidance available and how to access this

140.3.5. the process for resolving any queries or complaints regarding the apprenticeship, including its quality and the escalation process to the SFA through the apprenticeship helpline

Employment hours

141. You must

141.1. keep evidence of the agreed average weekly hours, including study hours in the evidence pack and

141.2. ensure the apprentice meets the minimum apprenticeship duration rules

142. You must make it clear in any advert for a vacancy how many hours will be expected.

143. You must allow the apprentice to complete the apprenticeship within their working hours and retain evidence of this in the evidence pack.

Starting, participating, completing and leaving

144. You must:

144.1. have evidence that learning took place and that the apprentice was not certificated for prior knowledge

144.2. retain evidence that the apprentice has completed their apprenticeship

144.3. where applicable, apply for, and give, apprentices certificates from awarding organisations for achieving a learning aim, and evidence this in the evidence pack

144.4. report and accurately complete all ILR fields for an apprentice

144.5. give accurate unique learner number (ULN) information to the digital apprenticeship service, awarding organisations and (where required) apprenticeship assessment organisations and ensure all information used to register apprentices is correct; (you can find more information on [GOV.UK](https://www.gov.uk))

145. If an apprentice leaves without completing their learning, then the last date of learning, including the apprenticeship programme learning aim, is the date you have evidence

the apprentice was still in learning for any learning that is part of their apprenticeship.

146. Apprentices who start their programme before 1 May 2017 must not be withdrawn and re-started onto the same apprenticeship, or another apprenticeship at the same level in a similar subject after 1 May 2017 solely to enable them to be funded by the new funding system. If the apprentice was on a break in learning, they can enrol on a new apprenticeship in the new funding system if it is in their best interests. We will monitor any breaks in learning during this period to identify any abuse of this exception.

Certification

147. For frameworks you must apply for the apprenticeship completion certificate from Apprenticeship Certificates England within three months of completion of learning.
148. For standards, the apprentice assessment organisation is responsible for claiming the apprenticeship completion certificate from the certification issuing body. We will publish further information regarding arrangements for claiming completion certificates later in the year.

Changes to the apprenticeship

149. If any circumstances change, you must revise existing agreements or create new agreements. This includes changes to cost and apprenticeship eligibility and any updates required to the digital account.
150. We will monitor take-up of additional payments closely to identify any fraudulent activity including behavioural patterns.
151. We will stop making payments from funds in your digital account or government-employer co-investment if an apprentice has a break in learning. You must inform us through your digital account and the ILR if an apprentice takes a break in learning.
152. You must not record a break in learning for short-term absences, such as holidays.
153. If an apprentice is on a break in learning when an additional payment is due, the payment will be delayed until the apprentice resumes their apprenticeship and has reached an overall total of 90 or 365 days in learning.

Where training or assessment is no longer being delivered

154. Where a change of circumstance means that training and/or assessment is no longer being delivered, no further funds from your digital account, government-employer co-investment or additional payments will be made.
155. In these circumstances you must calculate the cost of the training and, where applicable, the end-point assessment delivered to date.
156. You may alert us through your digital account and the ILR at any time, if training and/or assessment is no longer being delivered.
157. When a change of circumstance results in over-payment of funds from your digital account or government-employer co-investment, you must repay any over-payment.
158. If any change of circumstances are not included above, you should seek advice from us about what action you should take. Please email servicedesk@sfa.bis.gov.uk.

Evidence requirements

Evidence pack

159. The evidence pack must contain evidence to support the funding claimed and must be available to us if we need it.
160. Evidence in the evidence pack must assure us that the apprentice exists.
161. The apprentice and/or you must confirm the information they provide is correct when it is collected. You must have evidence of this, which can include electronic formats.
162. Where information is held centrally, you only need to refer to the source.
163. The evidence pack must include the following.
 - 163.1. A copy of the written apprenticeship agreement.
 - 163.2. All information reported to us in the ILR and the Earnings Adjustment Statement (EAS), and if it applies, the supporting evidence for the data you report.
 - 163.3. Your assessment and evidence of eligibility for funding and a record of what evidence the apprentice has provided.
 - 163.4. Confirmation of eligibility for any additional payments including, a signed, original declaration from the apprentice to confirm they are a care leaver, or evidence of an EHC plan where the apprentice is aged between 19 and 24 years old.
 - 163.5. Confirmation of eligibility for any waiving of the employer contribution including evidence from the employer that they had an average of 49 or fewer employees with a contract of employment in the 365 days before the apprentice was recruited.
 - 163.6. All initial assessments for English and maths.
 - 163.7. Information on prior learning that affects the learning or the funding of any of the apprenticeship.
 - 163.8. A description of how you will deliver the apprenticeship and how the apprentice will achieve it.

- 163.9. The supporting evidence about why you have claimed funding and the level of funding for an apprentice.
- 163.10. Details of any support needs identified, including an assessment, and how you will meet these needs.
- 163.11. Where ELS is being claimed for an apprentice aged 19 to 24 without an EHC plan, a letter or email from the apprentice's local authority stating the reason(s) why the individual does not need an EHC plan.
- 163.12. Confirmation that learning has taken place and that records are available.
- 163.13. All records and evidence of completion. This must be available within three months of you reporting it in the ILR.
- 163.14. Details of any subcontractor, clearly identifying who they are. This must match the information reported to us in the ILR.
- 163.15. Details of any end-point assessment organisation (where applicable) clearly identifying who they are.
- 163.16. The apprentice's job role, including any significantly new skills required for a new role, and that they are not enrolled on another apprenticeship at the same time.
- 163.17. Evidence that the apprenticeship leads to substantive new skills and that the learning is materially different where the apprenticeship is at the same or lower level than prior qualifications.
- 163.18. Evidence that the apprentice will spend at least 50% of their working hours in England over the duration of the apprenticeship including time spent on off-the-job training.
- 163.19. Any relevant experience and achievements, both inside and outside their current working role.
- 163.20. The learning and skills they have to carry out while on their apprenticeship outside of identified qualifications.
- 163.21. Details of employment including: the agreed contracted hours of employment, including paid training, and 20% 'off-the-job' time, and the total planned length of the apprenticeship.
- 163.22. Evidence that the apprentice will be allowed to complete the apprenticeship within their working hours.

- 163.23. Details of how the 20% 'off-the-job' training will be quantified and delivered.
- 163.24. The commitment statement signed and dated by you and the apprentice.
- 163.25. Copies of any state aid declarations if you are a small employer.

Confirmation and signatures

- 164. Where evidence is electronic, you must have wider systems and processes in place to assure you that apprentices exist and are eligible for funds.
- 165. You must keep effective and reliable evidence. You are responsible for making the evidence you hold easily available to us when we need it.

Individualised Learner Record (ILR)

- 166. You must accurately complete all ILR fields as required in the ILR Specification, even if they are not used for funding. Where your data does not support the funding you have claimed, we will take action to get this corrected and could recover funds.
- 167. The ILR must accurately reflect what has happened. You must not report inaccurate information even where you perceive that this would result in a more equitable claim for funding or accurate record of performance.

Self-declarations

- 168. Where a self-declaration is needed, this must state the apprentice's details and describe what is being confirmed.
- 169. If an apprentice self-declares prior attainment, you must check this in the personal learning record (PLR) and query any contradictory information with the learner. The PLR will not necessarily override the apprentice's self-declaration.

Annex A - Exceptional eligibility criteria (who we fund)

Exceptional eligibility status

(To be read together with paragraphs 39 to 52)

170. Where an individual or relevant family member has applied for an extension or variation of their current immigration permission in the UK they will be treated as if they have that leave. This only applies if the application was made before their current permission expired. Their leave continues until the Home Office make a decision on their immigration application.
171. An individual, or relevant family member, is considered to have the immigration permission that they held when they made their application for an extension, and their eligibility would be based upon this status.
172. Any individual with any of the statuses listed below, is eligible to receive funding and are exempt from the three-year residency requirement rule. You must have seen the individual's immigration permission in these circumstances.
 - 172.1. Refugee Status.
 - 172.2. Discretionary Leave to Enter or Remain.
 - 172.3. Exceptional Leave to Enter or Remain.
 - 172.4. Indefinite Leave to Enter or Remain.
 - 172.5. Humanitarian protection.
 - 172.6. Leave Outside the Rules.
 - 172.7. The husband, wife, civil partner and child of any of the above in this paragraph. (that is, paragraph 172.1 to 172.6).
173. The individual's immigration permission in the UK may have a 'No recourse to public funds' condition. This does not include education or education funding, so this does not affect an individual's eligibility, which must be decided under the normal eligibility conditions.
174. Asylum seekers are eligible to receive funding if:
 - 174.1. they have lived in the UK for six months or longer while their claim is being considered by the Home Office, and no decision on their claim has been made, or

174.2. they are in the care of the local authority and are receiving local authority support under section 23C or section 23CA of the Children Act 1989 or section 21 of the National Assistance Act 1948

175. An individual who has been refused asylum will be eligible if:

175.1. they have appealed against a decision made by the UK government against granting refugee status and no decision has been made within six months of lodging the appeal, or

175.2. they are granted support for themselves under section 4 of the Immigration and Asylum Act 1999, or

175.3. they are in the care of a local authority and are receiving local authority support for themselves under section 23C or section 23CA of the Children Act 1989

176. In the explanations below, the 'principal' is the European Union (EU) or EEA national. The 'family' or 'family member' is the apprentice, and must be the husband, wife, civil partner, child, grandchild, dependent parent or grandparent of the 'principal'.

177. If the individual, who is a family member of an EEA national, has been ordinarily resident in the EEA for the three years prior to the start of their course, they are eligible for funding.

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

178.1. 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, and

178.2. a principal has been resident within the EEA for the last three years

		Principal ordinarily resident in the EEA for three years		
		EU (including UK) citizen	Non-EU EEA citizen	Non-EEA citizen
Family member not ordinarily resident in the EEA for three years	EU (including UK) citizen	Eligible	Eligible	Not eligible
	Non-EU EEA citizen	Eligible	Not eligible	Not eligible
	Non-EEA citizen	Eligible	Not eligible	Not eligible

179. A child of a Turkish worker is eligible if all of the following apply.

179.1. The Turkish worker is ordinarily resident in the UK.

179.2. The Turkish worker is, or has been, lawfully employed in the UK.

179.3. The child has been ordinarily resident in the EEA and/or Turkey for the full three-year period before the start of their programme.

180. 16- to 18-year-olds are eligible to be funded for an apprenticeship if any of the following clauses apply.

180.1. They 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).

180.2. They are the children of diplomats.

180.3. They are the children of teachers coming to the UK on a teacher exchange scheme.

180.4. They are entering the UK (where not accompanied by their parents) and are British (or EEA) citizens.

180.5. They have a passport that has been endorsed to either show they have the Right of Abode in the United Kingdom or to show that they have no restrictions on working in the UK.

180.6. They are an asylum seeker.

180.7. They are placed in the care of the local authority.

180.8. They meet the requirements for any other eligible category in this document.

181. You can find further information on eligibility from the [UK Council for International Student Affairs \(UKCISA\)](#).

Countries or areas where residency establishes eligibility for our funding

182. You can access a list of European Union (EU) member states on the [EU website](#).

183. Other territories are categorised as being within the European Union for the purposes of the fees regulations; these are as follows.

Cyprus: any Cypriot national living on any part of the island qualifies for EU residency and is considered an EU national.

Finland: includes the Aland Islands.

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

Germany: includes the former German Democratic Republic and the tax-free port of Heligoland.

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

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

United Kingdom: Gibraltar is part of the territory of the EU.

To note: the Channel Islands and Isle of Man are part of the United Kingdom and Islands but not part of the EU.

Andorra, Monaco, San Marino and the Vatican are not part of the EU.

184. For funding eligibility purposes, EEA and eligible overseas dependent territories 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 in paragraph 186 below).
185. Although Switzerland is not part of the formally recognised EEA, its nationals are eligible under various international treaties signed by the UK and Swiss governments.
186. Learners who are nationals of certain British overseas territories and of certain European overseas territories are eligible for funding, depending on the three-year rule on residence in the EEA. These are as follows.

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

Greenland and Faroe Isles

Antilles (Bonaire, Curacao, Saba, St Eustatius and St Maarten)

Aruba

New Caledonia and its dependencies

French Polynesia

Saint Barthélemy

The Territory of Wallis and Futuna Islands

Mayotte

French Southern and Antarctic Territories



© Crown copyright 2016

You may re-use this information (excluding logos) free of charge in any format or medium, under the terms of the Open Government Licence.

To view this licence,
visit <http://www.nationalarchives.gov.uk/doc/open-government-licence/>
or e-mail: psi@nationalarchives.gsi.gov.uk.

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This document is also available from our website gov.uk/sfa.

If you have any enquiries regarding this publication or require an alternative format, please contact us info@sfa.bis.gov.uk