



Education & Skills  
Funding Agency

# Apprenticeship funding rules and guidance for employers

August 2021 to July 2022

## Version 3

This document sets out the guidance that applies to all employers participating in the apprenticeship programme. It includes the funding rules, which apply to all employers participating in the apprenticeship programme through a digital account on the apprenticeship service.

[View other apprenticeship funding rules](#)

May 2022

# Contents

<b>Employers and apprenticeships: things to check .....</b>	<b>4</b>
<b>Introduction and purpose of the document.....</b>	<b>6</b>
Recruit an apprentice.....	7
<b>Programme eligibility.....</b>	<b>7</b>
What is an apprenticeship? .....	7
Apprenticeship agreement (between you, as the employer, and the apprentice) .....	9
Alternative English apprenticeships .....	10
Apprentice wages .....	10
Minimum duration and employment hours.....	11
Off-the-job training .....	13
Flow chart: What to check if the actual duration and off-the-job training delivered is less than the original planned duration and volume of off-the-job training .....	18
Recognition of prior learning and experience .....	18
The commitment statement (training plan) between the employer, apprentice and main provider.....	19
<b>Who can be funded?.....</b>	<b>20</b>
Individuals who are eligible for funding .....	20
Individuals who are not eligible for funding .....	22
Apprentices who need access to learning support.....	24
Apprenticeship training agency (ATA) .....	24
<b>What can be funded?.....</b>	<b>25</b>
Eligible costs.....	25
Ineligible costs .....	28
Additional payments .....	29
<b>Incentive payments for hiring a new apprentice from 1 April 2021 to 30 September 2021 .....</b>	<b>30</b>
Care leavers bursary .....	37
Extra support for small employers .....	37
Support for English and maths training.....	38
Flow chart: find out if an apprentice needs to do English and maths i.e functional skills or GCSE .....	44
End-point assessments .....	45
<b>Contracting and subcontracting.....</b>	<b>46</b>
Main providers directly delivering training or on-programme assessment .....	47
Your written agreement with the main provider .....	49

Delivery of apprenticeship training and on-programme assessment by delivery subcontractors .....	50
Special conditions for all instances where the employer is the delivery subcontractor .....	50
Disputes and issue resolution between the employer and main provider .....	50
<b>Paying for an apprenticeship.....</b>	<b>51</b>
The price of an apprenticeship.....	51
Employer co-investment .....	52
When payments are made.....	53
Funds in your apprenticeship service account (levy paying employers) .....	53
Reservation of funds by non-levy employers .....	55
Qualifying days for funding .....	56
Subsidy control .....	57
<b>Apprenticeships funded by transfer of levy funds .....</b>	<b>57</b>
Introduction for all employers.....	57
Rules for sending employers .....	58
Rules for receiving employers.....	59
If the total cost cannot be covered by the transfer .....	60
Monitoring.....	60
<b>Change of circumstance .....</b>	<b>61</b>
Flow chart: Find out what to do if your apprentice wants to take a break in learning .....	63
Where training or assessment stops.....	64
Redundancy .....	64
Flow chart: What to check in the case of redundancy.....	67
Maternity, adoption and shared parental leave .....	67
Changing to a new version of a standard .....	70
Summary of action following a change of circumstance .....	71
<b>Annex A: Eligibility criteria (who we fund) .....</b>	<b>80</b>
UK nationals .....	80
Right of abode in the UK.....	81
UK nationals in the EEA .....	81
EEA nationals in the UK .....	81
Non-UK nationals.....	81
Family members of UK and EEA nationals .....	81
Individuals with certain types of immigration status and their family members .....	82
Asylum seekers .....	83
Children of Turkish workers .....	83
Persons granted stateless leave.....	83

Immigration status .....	84
Those in the armed forces or outside of England .....	84
Further information for 16 to 18-year-olds .....	85
Countries or areas where residency establishes eligibility for our funding.....	85
<b>Glossary.....</b>	<b>88</b>
0-9 .....	88
A .....	89
B .....	91
C .....	91
D .....	93
E .....	93
F .....	95
G .....	96
H .....	96
I.....	96
K .....	97
L.....	97
M.....	98
N.....	99
O.....	99
P .....	100
R .....	101
S .....	102
T .....	103
U .....	104
W .....	104
Z .....	105

## Employers and apprenticeships: things to check

This document is a combination of rules and guidance in order to help you manage your apprenticeship in partnership with your chosen main provider. This summary checklist is a guide to the steps you must take to ensure you are meeting the apprenticeship funding rules.

### Do you have a genuine job for this apprentice?

By genuine we mean that:

- The apprentice must have a contract of service with you, or an apprenticeship training agency, which is long enough for them to complete the apprenticeship successfully (including the end-point assessment). Exceptions to this can be found in paragraph E21.
- The cost of the apprentice's wages must be met by you.
- The apprentice must have a job role (or roles) with you that provides the opportunity for them to gain the knowledge, skills and behaviours needed to achieve their apprenticeship.
- The apprentice must have appropriate support and supervision on the job, by you, to carry out their job role.

### Have you checked the eligibility of the apprentice?

The apprentice must work for you, or a [connected company or charity](#) as defined by HMRC and they must:

- Have the right to work in England.
- Spend at least 50% of their working hours in England.

### Have you chosen a main provider and negotiated a price?

The relationship between you and the main provider is important throughout the apprenticeship. Your main provider must offer you the option of using the [recruit an apprentice](#) service for all new recruits into your business.

You and your main provider must agree a price for the total cost of each apprenticeship, including the training costs and any subcontracted training. The price must include the cost of the end-point assessment which you must agree with an end-point assessment organisation.

### Have you checked the duration of the apprenticeship and that prior learning has been considered?

You must make sure the apprenticeship training will last for at least one year. The standard specification or assessment plan may require this to be longer to support the delivery of the full apprenticeship content. The main provider must account for the apprentice's prior learning and, because this can reduce the content and length of the apprenticeship, it may also reduce the price you negotiate with them. Funds must not be used to pay for skills already attained by the apprentice.

## **Have you got an apprenticeship agreement with the apprentice?**

An [apprenticeship agreement](#) must be signed at the start of the apprenticeship. It is used to confirm individual employment arrangements between the apprentice and yourself and is a legal requirement.

## **Have you got a commitment statement?**

You must have a commitment statement (sometimes known as a training plan), signed by you, the apprentice and the main provider. This sets out the plan for the agreed training.

## **Have you recorded the apprenticeship?**

If you are a levy payer, or a non-levy payer who is using reserved funds, and have an [apprenticeship service](#) account you must record the apprenticeship details. You can ask the main provider to do this for you, but you will need to authorise the apprentice details so that we can use your apprenticeship service funds to pay for that apprentice's apprenticeship.

## **Have you ensured my apprentice is on the correct wage?**

Apprentices must be an employee on the first day of their apprenticeship and as a minimum at least be paid a wage consistent [with the law](#) for the time they are in work, in off-the-job training and when studying English and maths (if appropriate).

## **Have you checked on the progress of my apprentice?**

You must make sure the apprentice is taking part in learning throughout the apprenticeship and has regular progress reviews that involve you and the provider.

## **Do you have evidence?**

You must provide evidence to the main provider of the apprentice's average weekly hours and any changes to working patterns. You must also have evidence needed for any additional payments made to you because of the apprentice's characteristics (for example, their age). You must give the main provider evidence of the apprentice's eligibility at the start of their apprenticeship.

## Introduction and purpose of the document

### **New for 1 August 2021**

**E8** - Clarification: To remove reference to the Functional Skills Qualifications temporary flexibilities which have now ended.

### **New for 1 August 2021 – version 1**

**E8** - Clarification: To reflect that the rules on changing to a new version of a standard will apply irrespective of the apprentice's start date and will include existing learners who started their apprenticeship programme in previous funding years.

- E1** This document sets out the guidance for all employers participating in the apprenticeship programme from 1 August 2021. It also sets out the funding rules for levy-paying employers, and non levy-paying employers, who are participating in the apprenticeship programme through an account on the [apprenticeship service](#).
- E2** If you are an employer who does not pay the levy but would like to know more about [employing apprentices](#), please visit GOV.UK.
- E3** If you would like more detailed information on the features of the apprenticeship funding system, including how we will calculate funding for organisations receiving funding from us, please refer to the [Apprenticeship Technical Funding Guide](#). This will be useful for you to understand how we will make payments for main providers from your apprenticeship service account.
- E4** The rules contained in this document form part of standard terms and conditions for the use of the apprenticeship service to access funding for apprenticeships training through an employer's apprenticeship service account. If you are an employer accessing funding through the apprenticeship service, you must operate within the terms and conditions of your apprenticeship employer agreement. The [employer agreement](#) is with the Secretary of State for Education (acting through the Education and Skills Funding Agency (the ESFA), an executive agency of the Department for Education), and includes these rules.
- E5** If you breach your employer agreement, we reserve the right to take action.
- E6** We may take action to recover all or part of the government funding from you if we are satisfied that there has been a breach of the funding rules. This includes where claims are made for funding through your apprenticeship service account, government co-investment or additional payments (including incentive payments for hiring a new apprentice) to which you are not entitled.
- E7** If you would like any further support, you can contact us through our Apprenticeship Business Support team on 08000 150 6000.
- E8** These rules will apply to all apprenticeship programmes starting on or after 1 August 2021, with the following exception:
- E8.1** The redundancy rules outlined in paragraphs E301 to E302, which describe the arrangements for any redundancy that occurs on or after 15

October 2020. These rules will apply irrespective of the apprentice's start date and will include existing learners who started their apprenticeship programme in previous funding years.

**E8.2** The rules on changing to a new version of a standard (detailed in paragraphs E312 to E322), which describe the rules for when an existing apprentice wishes to move to a new version of the same standard. These rules will apply irrespective of the apprentice's start date and will include existing learners who started their apprenticeship programme in previous funding years.

**E9** All new apprentices must start on [apprenticeship standards](#).

**E10** All new apprentice starts with both levy and non-levy paying employers must be funded through the apprenticeship service. Employers who do not pay the levy can reserve funds using the apprenticeship service to access apprenticeship funding. More information on reservation of funds can be found in paragraphs E237 to E251 of this document.

**E11** Any apprenticeship which started before 1 August 2021 will continue to follow the [rules](#) in force at that time. These can be accessed on GOV.UK.

**E12** Some occupations require the training provider to be approved by a regulatory body before being able to deliver training for the apprenticeship. We may take action to recover apprenticeship funding where they have delivered training but do not have the necessary approval.

## Recruit an apprentice

**E13** [Recruit an apprentice](#) is a free tool to help you to recruit new apprentices into your business. It is not mandatory to use this service.

**E14** Where a main provider advertises on your behalf, on recruit an apprentice, it must be clear in the advert how many hours the apprentice will be expected to work per week for the role and how long the apprenticeship will last. This must meet the minimum duration requirement (see paragraphs E24 to E33).

## Programme eligibility

### What is an apprenticeship?

#### New For 1 August 2021

**E15** - Clarification: To be clear who is ultimately responsible for on and off-the-job training.

**E16** - Clarification: Improved clarity around the role of initial assessment in verifying the eligibility of the individual and suitability of the programme for funding.

**E15** An apprenticeship is a job with training. Through an apprenticeship, an apprentice will gain the technical knowledge, practical experience and wider skills and behaviours that they need for their immediate job and future career. The apprentice gains this through:



- E15.1** formal off-the-job training (which is fundable by government, provided both the individual and the programme can comply with these funding rules) and
  - E15.2** the opportunity to apply these new skills in a real work environment (in the productive job role) through on-the-job training, which is the responsibility of you (as the apprentice's employer).
- E16** To access government funding, your provider must ensure the individual and the programme are eligible for funding by conducting an initial assessment of the individual's abilities in line with the proposed apprenticeship. This initial assessment must, as a minimum, include:
- E16.1** identification and recognition of the individual's relevant prior learning (see paragraphs E52 to E54)
  - E16.2** relevant diagnostic testing (where required) and
  - E16.3** the identification of any learning support needs (see paragraphs E71 to E72).
- E17** The results of the initial assessment must confirm that:
- E17.1** the individual requires significant new knowledge, skills and behaviours to be occupationally competent in the job role;
  - E17.2** the training programme aligns with an approved apprenticeship standard, at the most appropriate level;
  - E17.3** identification and recognition of prior learning has taken place and the programme content, duration and price has been appropriately reduced;
  - E17.4** the required training meets the funding rules relating to the minimum duration of the practical period (paragraphs E24 to E33) and the minimum threshold of off-the-job training (paragraph E38);
  - E17.5** you and the provider are satisfied that the apprenticeship is the most appropriate training programme for the individual;
  - E17.6** the job role being undertaken by the apprentice has a productive purpose and
  - E17.7** you are providing the apprentice with the appropriate support and supervision to carry out their job role and their apprenticeship. This includes the opportunity to embed and consolidate the knowledge, skills and behaviours gained through apprenticeship off-the-job training.
- E18** Your provider must be satisfied that that the apprenticeship is a statutory English apprenticeship.
- E18.1** This means it is an arrangement that is taking place under an approved English apprenticeship agreement (see paragraphs E19 to E20.4), or is an alternative English apprenticeship (see paragraphs E21 to E22).

## Apprenticeship agreement (between you, as the employer, and the apprentice)

### New for 1 August 2021

**E20** - Clarification: Section reformatted

**E20.2** - Clarification: Clarity on the ILR field name and it's link to the apprenticeship agreement

- E19** The apprentice must be employed by you, or an apprenticeship training agency (ATA), for a period which is long enough for the apprentice to complete the apprenticeship successfully (including, for standards, the end-point assessment).
- E20** There must be evidence that the apprentice has an apprenticeship agreement with you at the start of, and for the duration of their apprenticeship. For standards, this is defined in section A1 (3) of the [Apprenticeships, Skills, Children and Learning Act 2009](#) (as amended by the [Enterprise Act 2016](#)) and the [Apprenticeships \(Miscellaneous Provisions\) Regulations 2017](#).
- E20.1** This approved English apprenticeship agreement must set out:
- E20.1.1** the apprentice's details (name, place of work)
  - E20.1.2** the apprenticeship standard and level being followed
  - E20.1.3** the start and end date of the apprenticeship (this includes end-point assessment)
  - E20.1.4** the start and end date of the practical period (this excludes end-point assessment)
  - E20.1.5** the duration of the practical period (see paragraphs E24 to E33 re minimum duration)
  - E20.1.6** the amount of time the apprentice will spend in off-the-job training.
- E20.2** The practical period start date set out in the apprenticeship agreement must match the practical period start date in the commitment statement and the learning start date on the ILR.
- E20.3** If the apprenticeship agreement is incomplete and / or does not meet the statutory requirements the individual will not have a valid agreement and will not be eligible to receive funding.
- E20.3.1** [A template apprenticeship agreement](#) is available on GOV.UK. This template does not have to be used. Where an alternative is used, the requirements of the legislation as described above must be met when forming an apprenticeship agreement.

- E20.4** The signed apprenticeship agreement must be distributed to both signatories (you and the apprentice) and you must give a copy to the main provider to keep in the evidence pack, along with any revisions.

## Alternative English apprenticeships

### New for 1 August 2021

**E21** - Clarification: To be clear on the provider's responsibility in relation to the apprenticeship agreement.

- Text relating to the previous redundancy policy has been removed.

**E21** There must be evidence that the apprentice has an apprenticeship agreement with you (paragraph E20). The only exceptions to this are:

**E21.1** Apprentices who have been made redundant on or after 15 October 2020 and on the day of dismissal:

**E21.1.1** Are within six months of the final day of the apprenticeship practical period OR they have completed at least 75% of the apprenticeship practical period (see paragraph E301). These apprentices can be funded to completion, without the need for a contract of employment or an apprenticeship agreement.

**E21.1.2** Have completed less than 75% of the apprenticeship practical period and the remaining training represents a training duration of more than six months (see paragraph E302). These apprentices may seek a new apprenticeship agreement which may have a duration of less than 12 months if required, and our policy is that we will fund them for up to 12 weeks while they seek a further agreement.

**E21.2** Particular office holders, namely constables of English police forces and ministers or trainee ministers of a religious denomination.

**E22** In relation to these alternative apprentices, except for the requirement to have a contract of employment and an apprenticeship agreement, you must comply with all the other rules set out in this document.

## Apprentice wages

### New for 1 August 2021

**E23** - Clarification: Added clarity on the provider's role.

**E23** Every apprentice must be paid a lawful wage for the time they are in work and in off-the-job training. You are responsible for meeting the cost of the apprentice's wage and for providing evidence of this to your training provider.

- E23.1** Where you are using the apprenticeship minimum wage you must only do so from the start of the apprenticeship programme and not before.
- E23.2** You can find information on the [national minimum wage, the apprenticeship rate, and the definition of an employee](#) on GOV.UK.

## Minimum duration and employment hours

### New for 1 August 2021

**E32** - Clarification: Subtitle changed to clarify that there is no 'exception' to the minimum duration, rather there are circumstances where multiply periods of learning can be added together to comply with the requirement.

**E32.2** - New rule: Sub-rule added to support standards versioning.

## Minimum duration of the practical period

- E24** An apprenticeship must provide for a practical period of work and training that lasts for a minimum duration of 12 months. This includes where the content, duration and price has been adjusted to recognise prior learning (see paragraphs E52 to E54). For example, to satisfy this requirement, an apprentice who starts their training on 1 August 2021 must still be receiving training on 31 July 2022.
- E24.1** The apprentice must be involved in active learning throughout the apprenticeship (see paragraph E37.3).
- E24.2** The standard specification or assessment plan may require this practical period of training to be longer to support the delivery of the full apprenticeship content.
- E25** The end-point assessment can only be taken after the minimum duration has been met (see paragraph E177). Your provider must confirm this as part of the gateway checks.
- E26** The minimum duration of each apprenticeship is based on the apprentice working at least 30 hours a week, including any off-the-job training they undertake.
- E26.1** Working fewer than 30 hours a week (see paragraphs E27 to E30) or being on a zero-hours contract (see paragraph E31) must not be a barrier to successfully completing an apprenticeship.
- E26.2** We will monitor working hours data and patterns of behaviour to ensure that sufficient off-the-job activity is undertaken to ensure successful completion of the apprenticeship, regardless of the number of hours worked. We reserve the right to take action where alternative working patterns are not managed appropriately leading to a reduction in the quality of the apprenticeship.

## Part-time employment hours (<30 hours per week)

**E27** If, at the beginning the of the programme, the apprentice works fewer than 30 hours a week, your main provider must extend the expected duration of the apprenticeship on the ILR (pro rata) to take account of this. You must also extend the dates on the apprenticeship agreement and commitment statement.

**E27.1** Where there is a change of circumstance to the working hours of the apprentice during the programme, please see paragraphs E327 to E330.

**E28** Where a part-time working pattern is needed, you must agree with the main provider and the apprentice the extended apprenticeship duration. The minimum duration must be extended using the following formula:

**E28.1**  $12 \times 30 / \text{average weekly hours} = \text{new minimum duration in months}; \text{ or}$

**E28.2**  $52 \times 30 / \text{average weekly hours} = \text{new minimum duration in weeks}.$

**E29** The apprentice must work enough hours each week so that they can undertake sufficient regular training and on-the-job activity. This is to ensure the apprentice is likely to successfully complete their apprenticeship. There must be evidence of the agreed average weekly hours, including time spent on off-the-job training, in the evidence pack.

**E30** You must allow the apprentice to complete the apprenticeship off-the-job training within their normal working hours, in addition to any English and maths training required. You must provide the main provider with evidence of this for them to keep in the evidence pack.

### **Zero hours contracts**

**E31** Zero-hours contracts are acceptable only where all of the other rules in this document are met.

**E31.1** For an apprentice with a zero-hour contract you must extend the duration of the apprenticeship in proportion to the hours they work.

**E31.2** An apprentice with a zero-hours contract must be allowed to complete their apprenticeship in their working hours, including the off-the-job training. Where this is not possible, a break in learning in the apprenticeship must be recorded.

### **Episodes of learning below the minimum duration requirement**

**E32** The only circumstances in which an episode of apprentice learning can fall below the minimum duration requirement are where an apprentice:

**E32.1** Is made redundant with more than six, but less than 12 months remaining before their final day. In these cases, they may seek a further apprenticeship agreement which takes their prior apprenticeship experience into account. This further agreement may provide for a duration of less than 12 months;

**E32.2** Transfers onto a newer version of the same standard (where the standard code remains the same);

**E32.3** Transfers between main providers but remains on the same standard; and

**E32.4** Returns to the same apprenticeship after a break in learning or withdrawal.

**E33** For the circumstances described in paragraph E32 you must have evidence that the total amount of time spent on their apprenticeship, which may include more than one episode of learning, meets the minimum duration requirement.

## Off-the-job training

### New for 1 August 2021

**E34.1** - Clarification: To be clear that off-the-job training should only be delivered in the practical period.

**E37.2** - Clarification: To include references to alternative delivery methodologies.

**E37.3** - Clarification: To be clear that apprentices must be engaged in active learning or on a break in learning (if inactive for 4 weeks or more).

**E38.4** - Clarification: To be clear that off-the-job training should only be delivered in the practical period.

**E47** - Clarification: Added clarity around breaks in learning and the impact on off-the-job training.

**E50.2** - New rule: Where a signed summary statement is required, this should be completed and signed by the relevant parties, and made available as part of the evidence pack, within 12 weeks of the apprentice completing their apprenticeship.

## What is off-the-job training?

**E34** Off-the-job training is a statutory requirement for an English apprenticeship.

**E34.1** It is training which is received by the apprentice within their practical period, during the apprentice's normal working hours, for the purpose of achieving the knowledge, skills and behaviours of the approved apprenticeship referenced in the apprenticeship agreement. By normal working hours we mean the hours for which the apprentice would normally be paid, excluding overtime.

**E34.2** It is not on-the-job training which is training received by the apprentice for the sole purpose of enabling the apprentice to perform the work for which they have been employed. By this we mean training that does not specifically link to the knowledge, skills and behaviours set out in the apprenticeship.

**E35** Off-the-job training must deliver new skills that are directly relevant to the apprenticeship. It can include the following:

- E35.1** the teaching of theory (for example, lectures, role playing, simulation exercises, online learning, and manufacturer training);
  - E35.2** practical training, shadowing, mentoring, industry visits, and participation in competitions; or
  - E35.3** learning support and time spent writing assessments / assignments.
- E36** Off-the-job training does not include:
- E36.1** training to acquire knowledge, skills and behaviours that are not required in the apprenticeship standard;
  - E36.2** progress reviews or on-programme assessment required for an apprenticeship standard; or
  - E36.3** training which takes place outside the apprentice's normal working hours.
- E37** It is up to you and the main provider to decide when and where the off-the-job training is delivered.
- E37.1** It can include training that is delivered at the apprentice's normal place of work.
  - E37.2** It can be spread evenly over the duration of apprenticeship (e.g. regular day release) or it can include block release (e.g. front-loaded training) and special training days / workshops.
  - E37.3** The apprentice must be involved in active learning throughout the apprenticeship (see paragraph E24.1). Where an individual agrees, with their provider and employer, to take a break of at least 4 weeks from their apprenticeship (with or without a break from work) but plans to return to their apprenticeship in the future, a break in learning must be used (see paragraphs E291 to E294).

### **Calculating off-the-job training**

- E38** To be eligible for government funding at least 20% of an apprentice's normal working hours, over the planned duration of the apprenticeship practical period must be spent on off-the-job training.
- E38.1** If the apprentice works less than 30 hours per week, they are considered to be part-time and your provider must extend the duration (see paragraphs E27 to E30).
  - E38.2** Apprentices must receive the volume of high-quality apprenticeship training that they need to develop full occupational competence. Your provider must not deliver the minimum number of hours required by the policy where the apprentice requires more than this. Apprentices may need more than 20% off-the-job training.
  - E38.3** The volume of training hours your provider plans to deliver must be supported by the initial assessment.

**E38.4** The practical period ends at the gateway for end-point assessment. Off-the-job training does not take place in the end-point assessment period of an apprenticeship.

**E39** When calculating the required amount of off-the-job training, the apprentice's statutory leave entitlement must be deducted. Employees who work a 5-day week receive at least 28 days paid annual holiday (this is the statutory leave entitlement referred to in this paragraph and is the equivalent of 5.6 weeks of holiday) (pro-rata for part time workers).

**E40** English and maths training, up to and including level 2, does not count towards the minimum 20% off-the-job training requirement; where required this must be delivered in addition to the minimum requirement.

**E41** It must be clear to all parties how the amount of off-the-job training required has been calculated to comply with paragraph E38 and this must be recorded in the evidence pack by the main provider.

### **Documenting off-the-job training**

**E42** The number of planned off-the-job training hours, for the full apprenticeship, must be documented on the apprenticeship agreement and the commitment statement. These must be separate documents.

**E43** Since 1 August 2019 planned off-the-job training hours must also be documented on the individualised learner record. This figure must not be changed once submitted (except for a data input error at the beginning of the programme).

**E44** From 1 August 2020, for the learners referenced in paragraph E43 (those where we have planned hours information on the ILR), we also require actual off-the-job training hours to be documented on the ILR at the end of the practical period.

**E44.1** We do not require actual hours information on the ILR where the apprenticeship has been disrupted by:

**E44.1.1** a change of provider

**E44.1.2** a change of programme

**E44.1.3** where an apprentice has been withdrawn from the programme or put on a break in learning.

**E44.2** We reserve the right to include these at a later date.

### **Delivering off-the-job training**

**E45** Evidence must be available to support the delivery of the content / components of all planned off-the-job training that are set out in the apprentice's commitment statement (see paragraphs E55 to E57), It must be clear which elements of the commitment statement have been used towards the calculation of the 20% requirement and which have not (see paragraphs E35, E36 and E40).



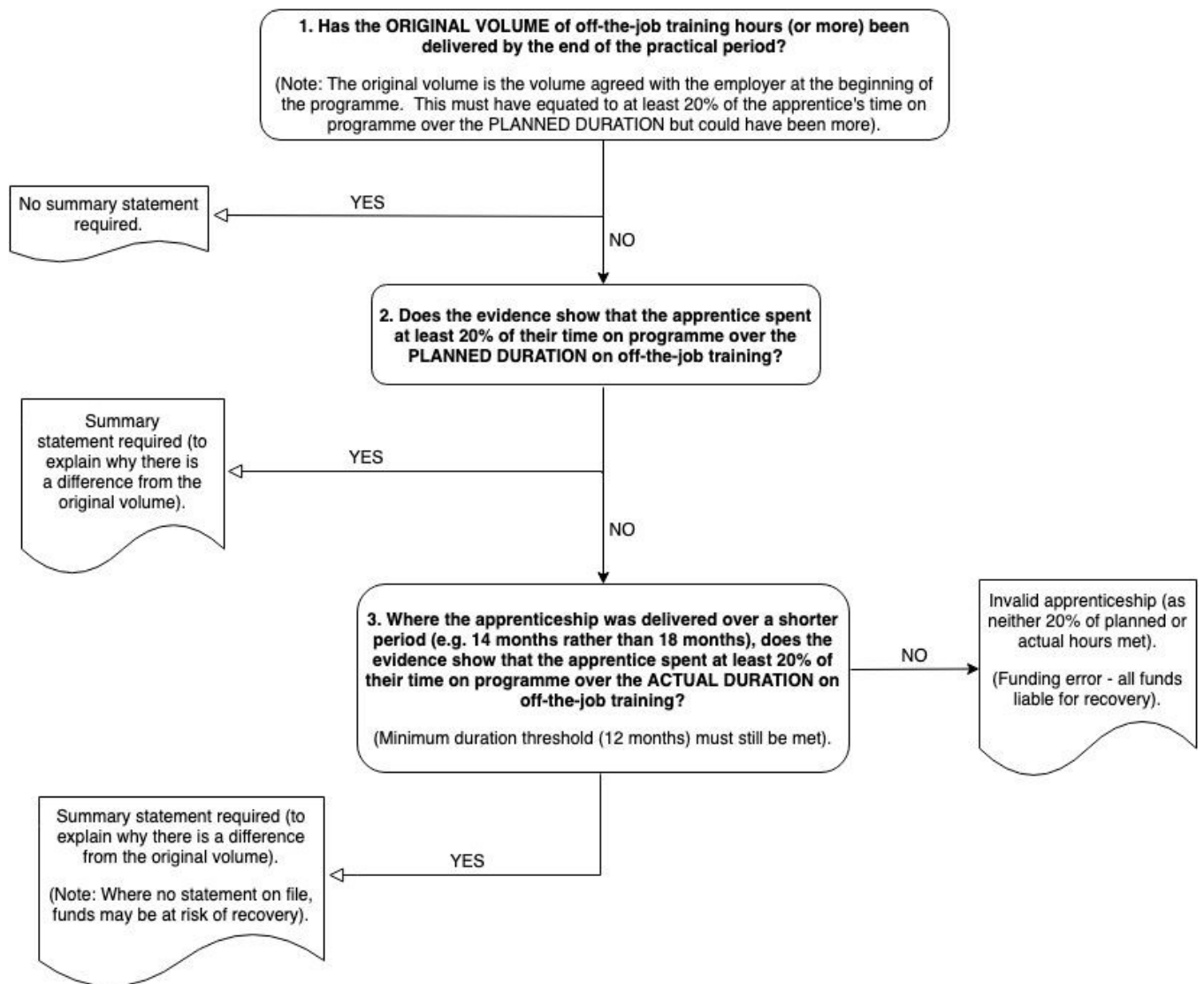
- E46** If planned off-the-job training is unable to take place as scheduled, you and the main provider must ensure this is re-arranged so that the full complement of training set out in the commitment statement can still be delivered. All off-the-job training must take place during normal working hours.
- E46.1** Apprentices may choose to spend additional time on training outside of these hours, but this must not be required to complete the apprenticeship and must not be included in the 20% calculation.
- E47** When the apprentice takes a period of leave from their work, in excess of 4 weeks, we expect that the apprentice will take a break in the training they are to receive (a break in learning). The apprentice may also take a break from learning without taking a break from work.
- E47.1** You and the apprentice must revise the date in the apprenticeship agreement on which the apprenticeship was expected to have been completed to account for the duration of the break. The duration of the apprenticeship and the amount of off-the-job training needed to meet the 20% requirement would therefore remain the same as though there had been no break in training (break in learning).
- E47.2** Apprentices on maternity, adoption or shared parental leave may use their statutory keep in touch (KIT / SPLIT) days to continue with off-the-job training during their period of leave. Please refer to paragraphs E303 to E307 for further information.
- E48** During the programme where it becomes clear through the regular progress reviews that the original volume of planned off-the-job training hours, that were agreed at the beginning of the programme, will not be delivered, this must be discussed and agreed with you and the apprentice and documented on a new version of the commitment statement (see paragraph E55.2).

### **Planned hours agreed at the beginning of the programme versus actual hours delivered**

- E49** At the end of the programme, if the volume of off-the-job training hours delivered is less than the original volume of planned hours (agreed with you at the beginning of the programme) the provider must produce a statement to summarise the following information:
- E49.1** The original volume of planned hours (as documented on the original apprenticeship agreement and commitment statement and recorded in the planned hours field of the ILR). This volume must have equated to at least 20% of the apprentice's working hours over the planned duration of the programme (see paragraph E38) but may have been more than the minimum 20% requirement.
- E49.2** The actual hours delivered (as supported by proof of delivery in the evidence pack and recorded in the actual hours field of the ILR).
- E49.3** The volume difference between these two figures.
- E49.4** The reason for this difference (e.g. prior learning has been identified part way through the apprenticeship or an apprentice has completed the full content over a shorter timescale).

- E49.5** Confirmation that the off-the-job training hours actually delivered were at least 20% of the apprentice's normal working hours over the actual time on programme.
- E49.6** Confirmation that the programme met the minimum duration threshold (12-month practical period).
- E50** You and the apprentice must countersign this statement if you both agree with, and are satisfied with, the quantity of training that was delivered, even though this is different to the original volume agreed at the beginning of the programme.
- E50.1** The summary statement must align with changes made in the commitment statement(s). The statement serves only as a summary of these changes and is not a substitute for the commitment statement being updated, where necessary, on an ongoing basis (e.g. as a result of progress reviews) (see paragraph E55.2).
- E50.2** Where a signed summary statement is required (see flowchart below), this should be completed and signed by the relevant parties, and made available as part of the evidence pack, within 12 weeks of the apprentice completing their apprenticeship.
- E50.3** Where a signed summary statement is required, and this is not available in the evidence pack, funds may be at risk of recovery.
- E50.4** If the apprentice has spent less than 20% of their actual time on the programme on off-the-job training, then the programme is not a valid apprenticeship and all funding is at risk of recovery.

**Flow chart: What to check if the actual duration and off-the-job training delivered is less than the original planned duration and volume of off-the-job training**



**E51** Further information about [off-the-job training](#) can be found on GOV.UK.

**Recognition of prior learning and experience**

**New for 1 August 2021**

**E54.1** - Clarification: To reflect that any existing knowledge, skills and behaviours gained by the individual where they are beginning their apprenticeship after completing another programme with a relevant work placement must be included in your main provider’s assessment.

**E52** Funds must not be used to pay for training for knowledge, skills, and behaviours already attained by the apprentice. We may take action to recover apprenticeship funding where this happens.

**E53** Your main provider must account for prior learning and experience when negotiating the price with you. They must reduce the content, duration and price,

where the individual has prior learning necessary to achieve occupational competence. They must explain to you how the price has been reduced.

**E54** Your main provider must thoroughly assess the apprentice's existing knowledge, skills and behaviours against those required to achieve occupational competence. Where applicable, they will include in their appraisal any knowledge, skills and behaviours gained from the following:

**E54.1** Prior work experience, particularly where the apprentice is an existing employee, or is beginning their apprenticeship after completing another programme with a relevant work placement;

**E54.2** prior education or training and associated qualifications in a related sector subject area; or

**E54.3** any previous apprenticeship undertaken.

### **The commitment statement (training plan) between the employer, apprentice and main provider**

**E55** Before the apprenticeship practical period starts and before the apprenticeship agreement is signed, you, the apprentice and the main provider must have contributed to and signed a copy of the commitment statement (often known as the training plan). This must set out the training that will be delivered in the practical period and how all three parties (apprentice, employer, and main provider) will support the achievement of the apprenticeship.

**E55.1** The commitment statement and apprenticeship agreement must be separate documents.

**E55.2** The commitment statement must be kept up to date with any material changes (e.g. as a result of changes agreed at a progress review).

**E55.3** A template [commitment statement](#) is available on GOV.UK. It is not mandatory to use this template.

**E56** All three parties must keep a current signed and dated version of the commitment statement. The main provider must keep their version (and previous versions) in the evidence pack with a copy of the apprenticeship agreement.

**E57** The commitment statement must set out:

**E57.1** The name of the apprentice, their job role and their normal working hours. By normal working hours we mean their paid hours excluding overtime.

**E57.2** Details of all relevant parties (your details (and any subcontractors involved in the delivery of off-the-job training)) and the end-point assessment organisation. We recognise that while new standards continue to be developed, not all end-point assessment organisations will be known at the start of the apprenticeship. The commitment statement must be updated to include these details as soon as they have been confirmed.

- E57.3** Details of the apprenticeship, including the name of the apprenticeship standard, the level, the start and end dates for both the apprenticeship and the practical period of training. The start date of the practical period set out in the commitment statement must align with the start date of the practical period in the apprenticeship agreement and the learning start date in the ILR.
- E57.4** The volume of off-the-job training hours that will be delivered; this must at least meet the minimum 20% requirement (see paragraphs E35, E36 and E40 for what can and cannot be included in this calculation). The individual's prior learning must be taken into account when calculating the off-the-job training requirement and designing the programme.
- E57.5** The planned content / components. For standards with mandatory qualification(s) this must be, as a minimum, a list of the units. For standards without a mandatory qualification this must be a description of the activities that the apprentice will undertake to develop occupational competency. It must also be clear if the component has been used towards the calculation of the minimum 20% off-the-job training requirement.
- E57.6** The schedule of when the training will be delivered (e.g. one day per week, block release, front loaded).
- E57.7** An agreement of what is expected from, and offered by you, the apprentice, and the main provider (and any delivery subcontractors) to achieve the apprenticeship (i.e. roles and responsibilities) and details of how all parties will work together. This must include contact details and the expected commitment from each party.
- E57.8** Written confirmation that you (the employer) will allow the apprentice to undertake off-the-job training within their normal working hours, in addition to English and maths training if required.
- E57.9** Details of progress reviews (main provider, employer, apprentice), including the frequency and format, to discuss progress to date against the commitment statement and the immediate next steps required.
- E57.10** The process for resolving any queries or complaints regarding the apprenticeship, including quality. This must include details of the escalation route within the main provider's own organisation and the escalation process to the ESFA Apprenticeship Service Support on 08000 150 600 or [helpdesk@manage-apprenticeships.service.gov.uk](mailto:helpdesk@manage-apprenticeships.service.gov.uk).

## Who can be funded?

### Individuals who are eligible for funding

#### **New for 1 August 2021**

**E59.3** - Clarification: To be clear that we are referencing eligible training costs.

- E58** You can only use funds in your apprenticeship service account, or government-employer co-investment, for those who are eligible. You must give the main provider evidence of the individual's eligibility.
- E59** To use funds in your apprenticeship service account or government-employer co-investment, the individual must:
- E59.1** Start their apprenticeship after the last Friday in June of the academic year in which they have their 16th birthday.
  - E59.2** 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 must not be funded.
  - E59.3** Not be asked to contribute financially to the eligible costs of training, on-programme or end-point assessment. This includes where the individual has completed the programme successfully or left the programme early. Costs include any co-investment or additional training and assessment costs above the funding band, that you have paid directly to the main provider where this is part of the agreed apprenticeship.
  - E59.4** Not use a student loan to pay for their apprenticeship. Where an individual transfers to an apprenticeship from a full-time further education or higher education course, and that course has been funded by a student loan, the loan must be terminated.
  - E59.5** Spend at least 50% of their working hours in England over the duration of the apprenticeship. When determining eligibility at the start of the apprenticeship, you must be confident that the apprentice will spend at least 50% of their working hours in England over the duration of the apprenticeship. For working hours to be counted in the 50% limit, they must be regular, planned, and known at the start of the apprenticeship. Refer to Annex A (paragraph E369) for exceptions to this rule.
    - E59.5.1** You must make separate arrangements with the relevant devolved administration if you are planning to deliver apprenticeships to individuals who spend more than 50% of their working hours in a devolved administration over the duration of their apprenticeship, including time spent on off-the-job training.
  - E59.6** Have the right to work in England.
  - E59.7** Have an eligible residency status (information can be found in the residency eligibility section in Annex A).
- E60** You can only use funds from your apprenticeship service account or employer-government co-investment for apprentices employed by you or a [connected company or charity](#) as defined by HMRC. You must provide evidence of employment to the main provider. This also applies where the apprentice is funded by a transfer of funds from another employer.
- E61** We will fund an apprentice to undertake an apprenticeship at a higher level than a qualification they already hold, including a previous apprenticeship.

- E62** 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 can evidence that the content of the training is materially different from any prior qualification or a previous apprenticeship.
- E63** The age of the apprentice on the day they start their apprenticeship will be used for all age-based eligibility criteria for that apprenticeship.
- E64** An apprentice's eligibility will not change during the apprenticeship unless their employment status also changes.
- E65** If an apprentice becomes unemployed or self-employed, they will at that point no longer be eligible for funding and the main provider must report them as having withdrawn from the apprenticeship in the ILR. If the apprentice has been made redundant, see paragraph E66.
- E66** If an apprentice is made redundant, we will continue to fund their training, even if they cannot find another employer, in the circumstances below:
- E66.1** Apprentices who are made redundant on or after 15 October 2020 and are either within six months of the final day of the apprenticeship practical period OR they have completed at least 75% of the apprenticeship practical period. These apprentices will be funded to completion (subject to the conditions set out in paragraph E301).
- E66.2** Apprentices who do not meet the conditions of paragraph E66.1 above. We will fund the training of these apprentices for 12 weeks while they seek a further apprenticeship agreement (see paragraph E302).

## Individuals who are not eligible for funding

### New for 1 August 2021

**E70 to E70.2** - Clarification: The Ministry of Justice provides that prisoners, both in custody and released on temporary license, cannot sign a contract of employment. Therefore, the rules have been updated to clarify that prisoners are not eligible apprentices.

- E67** You must not use funds in your apprenticeship service account for individuals who do not meet the eligibility criteria set out in this document unless they are eligible under the [Education \(Fees and Awards\) \(England\) Regulations 2007](#) (as amended). Individuals who do not meet the eligibility criteria include those who:
- E67.1** are here illegally;
- E67.2** are resident in the United Kingdom on a Student visa unless they are eligible through meeting any other of the categories described in Annex A;
- E67.3** are in the United Kingdom on holiday, with or without a visa;
- E67.4** have overstayed their immigration or visitor visa;

- E67.5** are a family member of a person granted a Student 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;
  - E67.6** are ordinarily resident in the Channel Islands or Isle of Man, unless they are also ordinarily resident within England; or
  - E67.7** have a biometric residence permit or residence permit imposing a study prohibition or restriction on the individual.
- E68** To use funds in your account or government-employer co-investment, the individual must not:
- E68.1** be undertaking another apprenticeship;
  - E68.2** be undertaking training funded through AEB, where that training will:
    - E68.2.1** replicate vocational and other learning aims covered by the apprenticeship, including English and maths;
    - E68.2.2** offer career related training that conflicts with the apprenticeship aims; or
    - E68.2.3** be taking place during working hours. Where an apprentice has more than one job, working hours refers to the hours of the job the apprenticeship is linked to.
  - E68.3** be in receipt of any other direct DfE funding during their apprenticeship programme; this includes any other DfE funded FE / HE programme including programmes funded by a student loan, but excludes funding outlined in E68.2; or
  - E68.4** undertake any part of an apprenticeship whilst on a sandwich placement as part of a degree programme.
- E69** As an exception to E68.2, an individual may commence an apprenticeship, and attract funding, where they have less than four weeks to completion of an existing DfE funded course.
- E70** To use funds in the employer's apprenticeship service account or government-employer co-investment, the individual must also not be:
- E70.1** A prisoner in custody or a prisoner released on temporary license.
  - E70.2** The policy of the Ministry of Justice is that prisoners, both in custody and released on temporary license, cannot sign a contract of employment. As this cohort is not covered under the Alternative English apprenticeship arrangements, they are not eligible for funding (see paragraphs E19 to E22).



## Apprentices who need access to learning support

### New for 1 August 2021 – version 1

**E71 and E72** - Clarification: We have updated these paragraphs to reflect the corresponding paragraphs in the Apprenticeship funding rules for main providers document.

- E71** We will provide learning support funding to meet the costs of putting in place reasonable adjustments, as set out in section 20 of the [Equality Act 2010](#), for apprentices who:
- E71.1** have a learning difficulty or disability as defined in Section 15ZA(6) of the [Education Act 1996](#) (as amended by section 41 of the Apprenticeships, Skills, Children and Learning Act 2009); and
  - E71.2** as a result of this learning difficulty or disability, require reasonable adjustments in order to be able to complete their apprenticeship, including any reasonable adjustments to complete English and maths requirements and end point assessment.

This can be claimed by your main provider for the period it is required. This will not be deducted from your apprenticeship service account or require employer co-investment.

- E72** A learning difficulty or disability that does not require reasonable adjustments or cannot be evidenced as directly impacting on the apprentice's ability to complete their apprenticeship will not be eligible for learning support funding. Learning support is not available:
- E72.1** to deal with everyday difficulties, which includes the definition as per Section 15ZA(7) of the [Education Act 1996](#), that are not directly associated with an apprenticeship. (If an apprentice needs help at work, they may be able to get help from [Access to Work](#)).
  - E72.2** to address any learning gaps in an apprentice's prior knowledge, skills or behaviours where these are relevant to their apprenticeship, but where there is no identified learning difficulty or disability in respect of obtaining this learning
  - E72.3** where there are no costs incurred in putting in place reasonable adjustments.

## Apprenticeship training agency (ATA)

- E73** An ATA is an organisation whose main business is employing apprentices who are made available to employers.
- E74** An ATA must be set up as a distinct legal entity so that apprentices can have contracts of employment with the ATA.

- E75** The main provider must report in the ILR that the apprentice is employed by an ATA.
- E76** Apprenticeship positions offered by an ATA must comply with the apprenticeship requirements set out in paragraphs E15 to E18. If the job is with a third party, the cost of wages may be met by that third party, but the wages must be paid by the ATA.
- E77** Where the apprentice is employed by a levy-paying ATA, they must follow the rules set out in this document.
- E78** Where you host an apprentice that is employed by an ATA you must not use the funds in your apprenticeship service account to pay the training and assessment costs.
- E79** Where they are a levy paying ATA, these costs must be met from the ATA's own apprenticeship service account. Where the apprentice is employed by a non-levy-paying ATA, the ATA will be able to access support for training and assessment through government-employer co-investment.
- E80** Group training associations that offer an ATA service to employers must follow ATA-specific rules.

## What can be funded?

### Eligible costs

#### New for August 2021

**E84.1** - Clarification: To be clear that EPA costs must not be included in the TNP1 price on the ILR.

- E81** Apprentices can only be enrolled against an apprenticeship standard once it is identified as 'approved for delivery' on the Institute for [Apprenticeships and Technical Education website](#). The apprenticeship must be eligible to access public funds from your apprenticeship service account or government-employer co-investment before the individual starts. The [hub](#) contains details of all eligible apprenticeships.
- E82** New standards must have an EPAO in principle in place before public funding can be accessed for new apprentices. Checks must occur to make sure that the apprenticeship is eligible before the individual starts by checking whether the standard has an EPAO in principle in place. It will be clear from ESFA and Institute systems to which standards this applies.
- E83** Funds from your apprenticeship service account or government-employer co-investment must only be used for eligible costs directly related to the individual apprenticeship. These funds must only be used to pay for training and assessment, including end-point assessment, to complete an apprenticeship that is eligible for funding up to the limit of the funding band.

**E84** For organisations that have been accepted onto the [Register of End-Point Assessment Organisations](#), eligible costs for end-point assessment are set out in the [Conditions of Acceptance](#) document.

**E84.1** You must not include the costs of end-point assessment in the TNP1 field on the ILR.

**E85** For main providers eligible costs for the delivery of training and on-programme assessment, are limited to the following:

### **Training**

**E85.1** Off-the-job training through a main provider or supporting provider, or evidenced costs for employer-provider delivery. This can include:

**E85.1.1** Some or all of the training aspects of a licence to practise or non-mandatory qualification. In both cases there must be a clear overlap between this training and the knowledge, skills and behaviours needed for the apprenticeship standard.

**E85.1.2** Self-directed distance learning (where it forms only part of the learning experience), interactive online learning (virtual classrooms) or blended learning relating to the off-the-job training element of an apprenticeship (see paragraph E89.6).

**E85.1.3** Time spent by employees / managers supporting or mentoring apprentices. By this we mean the delivery of knowledge, skills and behaviours directly linked to the apprenticeship. The direct link must be documented as part of the off-the-job training evidence.

**E85.2** Additional learning and / or the cost to re-sit an exam linked to a mandatory qualification.

**E85.3** Additional learning required to retake an end-point assessment

### **Consumables**

**E85.4** Materials (non-capital items) used in the delivery of the apprenticeship. By materials (non-capital items), we mean the equipment or supplies necessary to enable a particular learning activity to happen. This can include software licences where the licence cost is at apprentice level and the licence is required to access off-the-job training materials and can be evidenced as such. These items would not normally have a lifespan beyond the individual apprenticeship being funded.

**E85.5** Registration, examination and certification costs associated with mandatory qualifications, excluding any licence to practise (see paragraph E89.8).

**E85.6** Accommodation costs for training delivered through residential modules where the residential training is a mandatory requirement for all

apprentices. By mandatory, we mean that there is a specific requirement in the apprenticeship which would apply equally to any apprentice, regardless of their location, employer or main provider (including subcontractors).

- E85.7** Costs of an apprentice taking part in a skills competition if you and the main provider have agreed that participation in the competition directly contributes to helping that individual achieve the apprenticeship.

### **Assessment**

- E85.8** Regular planned on-programme assessments (tripartite progress reviews including the main provider, employer and apprentice) to discuss progress to date against the commitment statement and the immediate next steps required.

- E85.9** Formative (ongoing) assessment costs associated with a mandatory qualification.

### **Administration**

- E85.10** Any administration directly linked to training and assessment, including end-point assessment. This includes the costs relating to the tailoring of existing teaching materials for a particular cohort / apprentice / employer lesson planning, the management of subcontractors, the processing of the ILR and quality assurance.

- E86** The costs of taking part in any of the above activities may be included in the total negotiated price of training and end-point assessment. You and the main provider agree the price of the training and on programme assessment. You and the end-point assessment organisation agree the price of the end-point assessment.

- E86.1** It must be clear in the evidence pack if the total negotiated price changes and the reason for this change.

- E87** If the total negotiated price exceeds the maximum of the funding band, the agreed total must be recorded on the ILR. You must pay in full the difference between the band maximum and the total negotiated price.

- E88** Any of the eligible costs outlined in paragraph E85 can be bought in from a third party, including the apprentice's employer, and we will fund them.

- E88.1** Where you are the third party then only actual costs will be funded and these must be recorded.

- E88.2** Where the eligible cost is for the delivery of apprenticeship training and / or on-programme assessment from a third party this is subcontracting and the subcontracting rules in paragraphs E187 to E209 must be followed.

- E88.3** Funds from an employer's apprenticeship service account or government co-investment must not be used to fund other services from a third party.

## Ineligible costs

- E89** For main providers and the delivery of training and on-programme assessment, ineligible costs include the following:
- E89.1** Enrolment, main provider (or subcontractor) induction, initial assessment, initial diagnostic testing, or similar activity.
  - E89.2** Travel costs for apprentices under any circumstances.
  - E89.3** Apprentice wages.
  - E89.4** Personal protective clothing and safety equipment required by the apprentice to carry out their day-to-day work.
  - E89.5** Development of original teaching materials related to the delivery of a new apprenticeship offer. By this we mean the first time a provider chooses to deliver a new apprenticeship standard.
  - E89.6** Off-the-job training delivered only by self-directed distance learning,
  - E89.7** Any training, optional modules, educational trips or trips to professional events in excess of those required to achieve the apprenticeship. This includes training solely and specifically required for a licence to practise.
  - E89.8** Any fees to third parties associated with a licence to practise. This includes registration, examination and certification costs. This applies even where a licence to practise is specified in the apprenticeship standard and assessment plan.
  - E89.9** Any fees to awarding bodies for non-mandatory qualifications (qualifications that are not specifically listed in the standard). This includes registration, examination and certification costs.
  - E89.10** Student membership fees that are required by professional bodies, even where linked to mandatory qualifications.
  - E89.11** End-point assessment costs incurred by the main provider. These must be included in the price negotiated between you and the end-point assessment organisation.
  - E89.12** English and maths up to level 2 (this is funded separately).
  - E89.13** 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.
  - E89.14** 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 you or the main provider (including subcontractor). Residential costs associated with non-mandatory learning, including qualifications and outward-bound activities, are also excluded.

- E89.15** Capital purchases including lease agreements. Capital purchases are long-term assets that would have a lifespan beyond the apprenticeship being funded, such as land, buildings, machinery and ICT equipment (e.g. tablets and similar electronic devices).
  - E89.16** Maintenance of capital purchases. This includes vehicle parts and labour, insurance and MOT.
  - E89.17** Time spent by employees / managers supporting or mentoring apprentices, where this is not delivering training required as part of the apprenticeship (e.g. generic line management responsibilities).
  - E89.18** Specific services not related to the delivery and administration of the apprenticeship. This includes the recruitment and continuing professional development of staff involved in apprenticeships, company inductions, managing agents, brokers / referral services (sourcing employer / learner leads) and the costs of memberships or other costs paid to employers, or their representatives, associated with procurement registers or opportunities to secure business.
- E90** You must not seek or accept inducements, or any other payment not authorised by us, from a training provider or an end-point assessment organisation in relation to any part of the apprenticeship programme.

## **Additional payments**

- E91** You and the main provider will receive a payment towards the additional cost associated with training if, at the start of the apprenticeship, the apprentice is:
- E91.1** 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); or
  - E91.2** Aged between 19 and 24 years old and has either an Education, Health and Care (EHC) plan provided by their local authority or has been in the care of their local authority as defined in paragraph E92.
- E92** A child in care is defined as:
- E92.1** an eligible child - a young person who is 16 or 17 and who has been looked after by a UK 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;
  - E92.2** a relevant child - a young person who is 16 or 17 who has left care within the UK after their 16th birthday and before leaving care was an eligible child; or
  - E92.3** 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.
- E93** To be eligible for these payments you must have evidence in respect of each apprentice before the apprenticeship starts. You must check this and either you

or the apprentice must give the main provider evidence to keep in the evidence pack.

- E94** Where these payments are for apprentices aged between 19 and 24 years old at the start of their apprenticeship (see paragraph E91.2), the main provider must include consent from the apprentice to inform you that they have an EHC plan or that they have been in the care of their local authority and either:
- E94.1** a signed email or letter from a local authority appointed Personal Advisor to confirm they are a care leaver; or
  - E94.2** evidence of an EHC plan.
- E95** Your payments will be paid to the main provider as follows:
- E95.1** 90 days after the apprentice starts, 50% will be paid if the apprentice is still undertaking their apprenticeship; and
  - E95.2** 365 days after the apprentice starts, the remaining 50% will be paid if the apprentice is still undertaking their apprenticeship.
- E96** The main provider must pass these on in full to you within 30 working days of receiving this funding from us. Where an apprentice is employed by an ATA, any applicable additional payments will be paid to the ATA.
- E97** We will monitor take-up of additional payments to identify any potential fraud or irregularity.

## **Incentive payments for hiring a new apprentice from 1 April 2021 to 30 September 2021**

### **New for 1 August 2021**

We have removed the text relating to incentive payments for hiring a new apprentice from 1 August 2020 to 31 May 2021 as these no longer apply.

**E112** - New rule: To reflect that where you apply for an incentive payment in the same month as being eligible to be paid an instalment, you must apply by the 15<sup>th</sup> day of the month. Where you claim after this date, payment of your instalment will be delayed by a month to allow for necessary payment checks.

### **New for 1 August 2021 – version 1**

**E106** - Clarification: To confirm that it is the employer's responsibility to claim the incentive payment on the apprenticeship service for each eligible apprentice.

**E112** - Clarification: To reflect that where you apply for an incentive payment in the same month as being eligible to be paid an instalment, payment of your instalment may be delayed to allow for necessary payment checks.

- E98** From 1 April 2021, you will be eligible to receive an incentive payment for hiring a new apprentice if at the start of the apprenticeship, the apprentice is a new employee. When making a claim through the apprenticeship service, you must

declare that they are a new employee and, are eligible in accordance with the funding rules. This will include entering the apprentice's employment start date.

- E99** That apprentice must (subject to paragraphs E101 and E102):
- E99.1** have a contract of employment with you, containing an employment start date between 1 April 2021 and 30 September 2021 (inclusive);
  - E99.2** not have had a contract of employment with you (or connected company or charity – see paragraph E101) within the six months up to but not including 1 April 2021; and
  - E99.3** have an apprenticeship agreement containing a practical period start date between 1 April 2021 and 30 November 2021 inclusive (subject to paragraph E104 regarding redundant apprentices). The apprenticeship agreement can be the same as the contract of employment. The practical period start date is recorded in the apprenticeship agreement and supplied by your training provider when they submit data about the apprenticeship.
- E100** The rule at E99.2 does not apply where the apprentice was employed by you under the [Kickstart Scheme](#) and is progressing from that scheme onto the apprenticeship.
- E101** The contract and / or agreement referred to in paragraph E99, may be with a person other than you where the apprentice is employed by a company or charity [connected](#) to you (as defined by HMRC) and for whom you are using funds from your apprenticeship account or employer-government co-investment (see paragraph E60).
- E102** Where the apprentice is working under an alternative English apprenticeship and is holding office as a minister or a trainee minister of a religious denomination, or as a constable of a police force in England; the arrangements under which they are conducting that alternative English apprenticeship must contain a start date between 1 April 2021 and 30 September 2021 (inclusive).
- E103** We will only pay one incentive payment for hiring a new apprentice per individual apprentice, across all employers (or those with whom the apprentices mentioned in paragraph E101 have made their arrangements) and both eligibility periods of the incentive.
- E104** Where the apprentice for whom you are claiming incentive payments for hiring a new apprentice has previously been made redundant from an apprenticeship with another employer who has not claimed the incentive payment for hiring a new apprentice, that apprentice must:
- E104.1** have a contract of employment with you (or an apprenticeship agreement if they are the same thing), or the connected company or charity (see paragraph E101), containing a start date between 1 April 2021 and 30 September 2021 (inclusive); and
  - E104.2** be able to continue their apprenticeship with you (see redundancy rules in paragraph E21).



- E105** Incentive payments for hiring a new apprentice are £3000 per apprentice for apprentices of all ages.
- E106** To receive an incentive payment for hiring a new apprentice, you (as the employer) must use the apprenticeship service to:
- E106.1** access funding for the apprentice's training and assessment; and
  - E106.2** claim the incentive payment for each eligible apprentice which will be paid to you directly.
- E107** You must claim by 30 November 2021 any incentive payments for hiring a new apprentice for apprentices with a contract of employment start date between 1 April 2021 and 30 September 2021 inclusive and an apprenticeship practical period start date between 1 April 2021 and 30 November 2021 inclusive.
- E108** Where you are required to reserve funds on the apprenticeship service, you must do so to fund the training and assessment for each apprentice for whom you wish to claim an incentive payment for hiring a new apprentice. Therefore, the number of incentive payments you may claim is subject to the reservations available to you. More information on reservation of funds can be found in paragraphs E237 to E251 and [Apprenticeship funding in England](#).
- E109** If you are a receiving employer using transferred funds to pay for the apprenticeship training and assessment for an eligible apprentice, you may claim an incentive payment for hiring a new apprentice.
- E110** Employers will be eligible for incentive payments for hiring a new apprentice as follows:
- E110.1** 90 days after the apprenticeship start date, the employer will be eligible for 50% of the incentive payments for hiring a new apprentice if the apprentice is still employed by them and undertaking their apprenticeship (in learning as evidenced by the ILR); and
  - E110.2** 365 days after the apprenticeship start date, the employer will be eligible for the remaining 50% if the apprentice is still employed by them and undertaking their apprenticeship (in learning as evidenced by the ILR).
- E111** Before payments are made to employers, claims will be validated against data provided to us by the training provider through the ILR. If this data shows that an apprentice is ineligible, or data has not been provided to validate the claim, payment will not be made.
- E112** Where you apply for an incentive payment in the same month as being eligible to be paid an instalment, payment of your instalment may be delayed by a month to allow for necessary payment checks.
- E113** Where an employer has already received one instalment of the payment and the apprentice subsequently changes employer, neither the original employer nor the new employer may receive the remaining balance.
- E114** If an apprentice is employed by more than one employer simultaneously, only one of the employers may make a claim for the incentive payment for hiring a new apprentice.

- E115** Before you claim and are paid any incentive payments for hiring a new apprentice, you must have evidence that you are eligible for the payment for each apprentice and provide this to us if requested.
- E116** We will monitor take-up of incentive payments for hiring a new apprentice to identify and challenge any potential fraud or irregularity.
- E117** We reserve the right to take action including to stop or recover all or part of the incentive payments for hiring a new apprentice from you if we are satisfied that there has been a breach of the funding rules.

### **Evidence requirements**

- E118** You must hold evidence to assure us that you are eligible for each incentive payment for hiring a new apprentice you have received.
- E119** The evidence must support the funding claimed, assure us that the apprentice exists and is a new recruit to your business, and must be made available to us if we request it.
- E120** The evidence must include in respect of each incentive payment for hiring a new apprentice claimed:
  - E120.1** confirmation of the apprentice's date of birth
  - E120.2** a copy of the apprenticeship agreement
  - E120.3** a copy of the apprentice's signed employment contract (if different from the apprenticeship agreement), including their start date
  - E120.4** confirmation they were a new employee i.e. not have had a contract of employment with you (or connected company or charity) within the six months up to but not including 1 April 2021. This must include evidence from payroll and could include vacancy adverts and recruitment documentation.
  - E120.5** if relevant, confirmation that the apprentice was previously employed by you, under the Kickstart Scheme.
  - E120.6** if relevant, confirmation that the apprentice had previously been made redundant from an apprenticeship starting before 1 April 2021. This may be a copy of the apprentice's dismissal notice from the employer, which cites the reason for dismissal as redundancy. In the absence of a notice of dismissal, other evidence which allows one reasonably to conclude that the apprentice has been made redundant would also be acceptable (e.g. an email informing employees that the business is closing, or other evidence that the business with whom the apprentice had an apprenticeship agreement with has recently closed). See the Glossary definition for the situations which amount to redundancy in law.

## Incentive payments for hiring a new apprentice from 1 October 2021 to 31 January 2022

### New for November 2021 – version 2

**E121 to E144** – New rules: From 1 October 2021, you will be eligible to receive an incentive payment for hiring a new apprentice, if at the start of the apprenticeship, the apprentice is a new employee. From 11 January 2022, you will be able to use the apprenticeship service to apply for incentive payments for apprentices with an employment start date between 1 October 2021 and 31 January 2022. When making a claim through the apprenticeship service, you must declare that the apprentice is a new employee and, is eligible in accordance with the funding rules. This will include entering the apprentice's employment start date.

**E121** From 1 October 2021, you will be eligible to receive an incentive payment for hiring a new apprentice if at the start of the apprenticeship, the apprentice is a new employee. When making a claim through the apprenticeship service, you must declare that they are a new employee and, are eligible in accordance with the funding rules. This will include entering the apprentice's employment start date.

**E122** That apprentice must (subject to paragraphs E124 and [E125](#)):

**E122.1** have a contract of employment with you, containing a start date between 1 October 2021 and 31 January 2022 (inclusive);

**E122.2** not have had a contract of employment with you (or connected company or charity – see paragraph E124) within the six months up to but not including 1 October 2021; and

**E122.3** have an apprenticeship agreement containing a practical period start date between 1 October 2021 and 31 March 2022 inclusive (subject to paragraph E127 regarding redundant apprentices). The apprenticeship agreement can be the same as the contract of employment. The practical period start date is recorded in the apprenticeship agreement and supplied by your training provider when they submit data about the apprenticeship.

**E123** The rule at E122.2 does not apply where the apprentice was employed by you under the [Kickstart Scheme](#) and is progressing from that scheme onto the apprenticeship.

**E124** The contract and / or agreement referred to in paragraph E122, may be with a person other than you where the apprentice is employed by a company or charity [connected](#) to you (as defined by HMRC) and for whom you are using funds from your apprenticeship account or employer-government co-investment (see paragraph E60).

- E125** Where the apprentice is working under an alternative English apprenticeship and is holding office as a minister or a trainee minister of a religious denomination, or as a constable of a police force in England; the arrangements under which they are conducting that alternative English apprenticeship must contain a start date between 1 October 2021 and 31 January 2022 (inclusive).
- E126** We will only pay one incentive payment for hiring a new apprentice per individual apprentice, across all employers (or those with whom the apprentices mentioned in paragraph E124 have made their arrangements) and all eligibility periods of the incentive.
- E127** Where the apprentice for whom you are claiming incentive payments for hiring a new apprentice has previously been made redundant from an apprenticeship with another employer who has not claimed the incentive payment for hiring a new apprentice, that apprentice must:
- E127.1** have a contract of employment with you (or an apprenticeship agreement if they are the same thing), or the connected company or charity (see paragraph E124), containing a start date between 1 October 2021 and 31 January 2022 (inclusive); and
  - E127.2** be able to continue their apprenticeship with you (see redundancy rules in paragraph E21).
- E128** Incentive payments for hiring a new apprentice are £3000 per apprentice for apprentices of all ages.
- E129** To receive an incentive payment for hiring a new apprentice, you (as the employer) must use the apprenticeship service to:
- E129.1** access funding for the apprentice's training and assessment; and
  - E129.2** claim the incentive payment for each eligible apprentice which will be paid to you directly.
- E130** You can use the apprenticeship service to claim incentive payments for hiring a new apprentice for apprentices who have a contract of employment with you containing an employment start date between 1 October 2021 and 31 January 2022, from 11 January 2022.
- E131** You must claim by 15 May 2022, any incentive payments for hiring a new apprentice for apprentices with a contract of employment start date between 1 October 2021 and 31 January 2022 inclusive and an apprenticeship practical period start date between 1 October 2021 and 31 March 2022 inclusive.
- E132** Where you are required to reserve funds on the apprenticeship service, you must do so to fund the training and assessment for each apprentice for whom you wish to claim an incentive payment for hiring a new apprentice. Therefore, the number of incentive payments you may claim is subject to the reservations available to you. More information on reservation of funds can be found in paragraphs E237 to E251 and [Apprenticeship funding in England](#).

- E133** If you are a receiving employer using transferred funds to pay for the apprenticeship training and assessment for an eligible apprentice, you may claim an incentive payment for hiring a new apprentice.
- E134** Employers will be eligible for incentive payments for hiring a new apprentice as follows:
- E134.1** 90 days after the apprenticeship start date, the employer will be eligible for 50% of the incentive payments for hiring a new apprentice if the apprentice is still employed by them and undertaking their apprenticeship (in learning as evidenced by the ILR); and
- E134.2** 365 days after the apprenticeship start date, the employer will be eligible for the remaining 50% if the apprentice is still employed by them and undertaking their apprenticeship (in learning as evidenced by the ILR).
- E135** Before payments are made to employers, claims will be validated against data provided to us by the training provider through the ILR. If this data shows that an apprentice is ineligible, or data has not been provided to validate the claim, payment will not be made.
- E136** Where you apply for an incentive payment in the same month as being eligible to be paid an instalment, payment of your instalment may be delayed by a month to allow for necessary payment checks.
- E137** Where an employer has already received one instalment of the payment and the apprentice subsequently changes employer, neither the original employer nor the new employer may receive the remaining balance.
- E138** If an apprentice is employed by more than one employer simultaneously, only one of the employers may make a claim for the incentive payment for hiring a new apprentice.
- E139** Before you claim and are paid any incentive payments for hiring a new apprentice, you must have evidence that you are eligible for the payment for each apprentice and provide this to us if requested.
- E140** We will monitor take-up of incentive payments for hiring a new apprentice to identify and challenge any potential fraud or irregularity.
- E141** We reserve the right to take action including to stop or recover all or part of the incentive payments for hiring a new apprentice from you if we are satisfied that there has been a breach of the funding rules.

### **Evidence requirements**

- E142** You must hold evidence to assure us that you are eligible for each incentive payment for hiring a new apprentice you have received.
- E143** The evidence must support the funding claimed, assure us that the apprentice exists and is a new recruit to your business, and must be made available to us if we request it.
- E144** The evidence must include in respect of each incentive payment for hiring a new apprentice claimed:

- E144.1** confirmation of the apprentice's date of birth
- E144.2** a copy of the apprenticeship agreement
- E144.3** a copy of the apprentice's signed employment contract (if different from the apprenticeship agreement), including their start date
- E144.4** confirmation they were a new employee i.e. not have had a contract of employment with you (or connected company or charity) within the six months up to but not including 1 October 2021. This must include evidence from payroll and could include vacancy adverts and recruitment documentation.
- E144.5** if relevant, confirmation that the apprentice was previously employed by you, under the Kickstart Scheme.
- E144.6** if relevant, confirmation that the apprentice had previously been made redundant from an apprenticeship starting before 1 October 2021. This may be a copy of the apprentice's dismissal notice from the employer, which cites the reason for dismissal as redundancy. In the absence of a notice of dismissal, other evidence which allows one reasonably to conclude that the apprentice has been made redundant would also be acceptable (e.g. an email informing employees that the business is closing, or other evidence that the business with whom the apprentice had an apprenticeship agreement with has recently closed). See the Glossary definition for the situations which amount to redundancy in law.

## Care leavers bursary

- E145** Eligible apprentices will receive a £1,000 payment if they have been in the care of a UK local authority as defined in paragraph E92.
- E146** The bursary payment, due to the apprentice, will be generated to the main provider 60 days after they start. The main provider must pass this on in full to the apprentice within 30 days of receiving this funding from the ESFA.
- E147** This is a one-off payment. An eligible apprentice must only receive this payment once. Therefore, an individual must not receive this funding again if they progress to another apprenticeship or leave before the end of their apprenticeship to commence another apprenticeship. It is the main provider's responsibility to ensure that the apprentice has not received this payment previously. We will also monitor this to ensure that the apprentice only receives this payment once.

## Extra support for small employers

- E148** The government will fund all of the apprenticeship training costs, up to the maximum value of the funding band for the apprenticeship, for employers employing fewer than 50 people if, on the first day of their apprenticeship, the apprentice is:

- E148.1** Aged between 16 and 18 years old (or 15 years old if the apprentice's 16th birthday is between the last Friday of June and 31 August); or
- E148.2** Aged between 19 and 24 years old and has either:
- E148.2.1** an EHC plan provided by their local authority; or
  - E148.2.2** or has been in the care of their local authority as defined in paragraph E92.
- E149** Before any apprenticeship starts, you must have evidence that the apprentice and you are eligible for the waiving of the employer contribution. You must provide evidence that you employed an average of 49 or fewer employees in the 365 days before the apprentice was recruited (using the calculation set out in paragraph E150) and you must give this to the main provider to keep in the evidence pack.
- E150** We define the number of employees as the number of people with a contract of service. This must be calculated using the average number of employees with a contract of service in the 365 days before the apprentice is recruited. If the average number of employees is 49 and the recruitment of apprentices takes this number to 50, you will still be eligible to receive this extra support. However, if the average number of employees is 50 and the recruitment of apprentices takes this number to 51, you will not be eligible to receive this extra support.
- E151** If the price negotiated by you and the main provider is above the maximum value of the funding band for the apprenticeship, you must pay in full the difference between the band maximum and the negotiated agreed price. This cannot be funded from your apprenticeship service account.

## Support for English and maths training

### New for 1 August 2021

**E153.1 and E153.2** - Restructure and clarification: To reflect that these rules apply to all apprentices.

**E168** - Restructure, and clarification on self-assessment.

### New for 1 August 2021 – version 1

#### **Temporary suspension of the requirement for level 2 apprentices to work towards and attempt level 2 functional skills.**

The rule requiring level 2 apprentices to study towards, and attempt, the functional skills assessment at level 2 is temporarily suspended. Apprentices who are due to take their EPA on or before 31 December 2021 must be passed through gateway to sit their EPA without the need to attempt the level 2 functional skills English and maths assessment. Providers must retain evidence if an apprentice did not take the level 2 assessments due to coronavirus (COVID-19). For apprentices on a standard, this means they must be at gateway on or before 31 December 2021. For apprentices on a framework, they must have achieved all of the requirements of the framework by 31 December 2021. For all other apprentices, providers must plan and deliver level 2 English and maths in accordance with rules E155 to E160.

**E160** - Clarification: To confirm the requirements for level 3 and above apprenticeships where a level 2 qualification in English and maths is required, and the apprentice does not already hold the acceptable qualifications.

**E152** English and maths are essential to supporting longer-term career prospects. This is why all apprentices must be supported to gain these essential skills and secure recognised qualifications.

### **Achievement levels**

**E153** As part of our ambition for a world-class technical education system and in line with recommendations from independent experts, progression towards and attainment of approved level 2 English and maths qualifications is an important part of the apprenticeship programme. For those undertaking a level 3 or higher apprenticeship, it is a requirement that they hold or achieve an approved level 2 in both subjects before they can successfully complete the apprenticeship.

**E153.1** For apprentices at all levels with formally recognised special educational needs, learning difficulties or disabilities who struggle to achieve the regular English and / or maths minimum requirement due to the nature of their difficulty or disability we will accept achievement at entry level 3 functional skills in English and / or maths (see paragraphs E167 to E174 below); and

**E153.2** Every effort must be made to enable apprentices with special educational needs, learning difficulties or disabilities achieve the minimum English and maths requirements of the specific apprenticeship as set out in paragraphs E153 to E166. This includes the appropriate use of access arrangements, reasonable adjustments and other approved qualifications that are detailed in the ESFA list of qualifications approved for funding.

**E154** For apprentices undertaking a level 2 apprenticeship:

**E154.1** We want as many apprentices as possible to achieve level 2 English and maths. We require all apprentices to achieve level 1 (where they have not already) and work towards this standard and to take the assessments for the achievement of approved level 2 qualifications in these subjects.

### **What we will fund**

**E155** We will fund an apprentice to achieve up to an approved level 2 qualification in English and maths where they do not already hold a suitable equivalent qualification. Acceptable equivalents are set out in a published list on GOV.UK called [‘Acceptable Current and Prior Equivalent Qualifications for English and Maths Minimum Requirements in Apprenticeship Standards at Level 2 and Above’](#).

**E156** The ESFA will pay the main provider for this at the single rate set by us for each eligible qualification undertaken. It will not be deducted from your apprenticeship service account or require co-investment.



**E157** Main providers can claim funding for apprentices who have not previously attained a GCSE grade A\* to C (or 9 to 4) in English or maths (or both) on the day they start the following qualifications:

**E157.1** GCSE English language or maths (or both); or

**E157.2** Functional skills English or maths at level 2 (or both).

**E158** For level 2 apprenticeships, where a level 2 qualification in English or maths is not required for the apprenticeship and the apprentice does not already hold the acceptable qualifications for their standard, then main providers must adopt the following approach and can claim funding for an apprentice in the following scenarios:

**E158.1** **Where the apprentice holds neither level 1 nor level 2 approved qualifications and is judged by the main provider to be working below level 1 standard in English / maths:**

Apprentices must study towards and achieve English and maths qualifications of at least level 1 (functional skills level 1 or GCSE grade E or 2), and start, study towards and take the assessments for level 2 qualifications in these subjects. The apprentice is not required to achieve level 2 qualifications in order to successfully complete their apprenticeship. These requirements must be fulfilled before the apprentice takes the end-point assessment.

Main providers must also ensure that any level 1 training and assessments are taken at an early enough stage in the apprenticeship to allow sufficient time for an apprentice to study towards and take the assessments for the level 2 qualification, after a level 1 has been achieved.

**E158.2** **Where the apprentice does not already hold approved level 1 qualifications, but is judged by the main provider to be working at level 1 standard in English / maths:**

Apprentices must start, continue to study and take the assessment for level 2 English and maths (functional skills level 2 or GCSE). If they do not achieve a level 2, you must then ensure they take the assessment for level 1 English and / or maths – this is because they must secure the level 1 qualification in order to complete their apprenticeship.

You must ensure that any level 2 training and assessments are taken at an early enough stage in the apprenticeship to allow time for the apprentice to take the level 1 assessment if they first do not achieve the level 2. In this scenario, we will not fund costs for level 1 training and assessment. These requirements must be fulfilled before the apprentice takes the end-point assessment.

**E158.3** **Where the apprentice already holds approved level 1 qualifications:**

Apprentices must start, continue to study and take the assessments for a level 2 English and / or maths (functional skills level 2 or GCSE). This

requirement must be fulfilled before the apprentice takes the end-point assessment.

- E159** We will fund functional skills English and / or maths at level 1 or below where main providers (or a subcontractor) has conducted an initial assessment that shows the apprentice needs to study at a lower level before being able to achieve their level 2. The apprentice must be assessed at below level 1 to be funded for a level 1 qualification.
- E160** For level 3 and above apprenticeships where a level 2 qualification in English and maths is required, and the apprentice does not already hold the acceptable qualifications, we will fund the apprentice to achieve the qualification. The apprentice must commence tuition at the English and maths level immediately above the level at which they have been assessed at the start of their apprenticeship programme. In instances where this starting level is lower than the exit requirements, progression through the appropriate English and maths levels (as required in the apprenticeship standard) must be achieved.
- E161** In exceptional circumstances, we will fund:
- E161.1** re-takes of English and / or maths qualifications where apprentices receive further teaching to achieve the required English and / or maths functional skills qualification; and
  - E161.2** [other approved qualifications](#) (including components, where applicable) where an apprentice will need significant, additional numeracy and literacy support that is not met through immediate entry onto a GCSE or functional skills course.
- E162** If the apprentice is made redundant, they are allowed to continue with their English and / or maths up to and including level 2. Main providers can continue to claim funds at the published apprenticeship English and maths rates.
- E163** Main providers must not claim funding from the adult education budget for English and / or maths undertaken by an apprentice.
- E164** Any English and / or maths requirements for the achievement of an apprenticeship standard not set out above must be funded from your apprenticeship service account or through government-employer co-investment.
- E165** Main providers must provide evidence of prior attainment of English and maths. Guidance for obtaining acceptable evidence is provided in the evidence pack.

### **Judgement of an apprentice's current level**

- E166** If an apprentice does not have acceptable evidence of previous attainment of English and / or maths, main providers must carry out a judgement of their current level. The assessment must use current assessment tools based on the national literacy and numeracy standards and core curriculum or [DFE published English and maths functional skills subject content](#).

### **Exceptions to the regular English and maths minimum requirements, for people with special educational needs, learning difficulties or disabilities**

- E167** Individuals must be considered on a case-by-case basis and must satisfy all of the following conditions:
- E168** The apprentice has either an existing or previously issued education, health and care (EHC) plan, a statement of special educational need (SEN) or a learning difficulty assessment (LDA). Self-declaration of a learning difficulty or a disability is insufficient.
- E168.1** You and the main provider expect the apprentice to achieve all other aspects of the apprenticeship requirements, become occupationally competent and achieve entry level 3 functional skills in the adjusted subject(s) before the end of their apprenticeship.
- E168.2** The main provider holds or has conducted an evidenced judgement demonstrating that even with support, reasonable adjustments and stepping stone qualifications, the apprentice will not be able to achieve English and / or maths to the minimum level within the timeframe projected for them to complete all the occupational elements.
- E169** Depending on the apprentice's individual circumstances and outcome of the main provider's judgement, this exception may apply to either English and maths (or both). If the exception applies to only one subject, the regular requirements for the non-adjusted subject will apply.
- E170** Although the apprentice will be exempt from the regular English and / or maths minimum requirements, main providers must plan and evidence how the apprentice will access further literacy and numeracy development, including level 1 and level 2 courses, as part of their overall training provision, if appropriate.
- E171** The judgement must be formal and structured and conducted by an appropriate professional associated with the main provider (or subcontractor), such as the head of SEN or student support. It must be conducted within eight weeks of an apprentice beginning their apprenticeship and must include:
- E171.1** judgement of the apprentice's current English and maths ability;
- E171.2** information on how the learning difficulty or disability affects the apprentice's English and maths abilities and a clear indication of whether one or both English and maths are affected;
- E171.3** judgement of the apprentice's ability to meet the regular English and maths requirements even with appropriate support in place;
- E171.4** creation of a recommended learning plan to enable the apprentice to achieve entry-level 3 functional skills in the adjusted subject(s) and, where appropriate, to continue to build on their literacy and numeracy skills by accessing further courses; and
- E171.5** copies of an education, health and care (EHC) plan, a statement of special educational need (SEN) or a learning difficulty assessment (LDA).
- E172** The main provider must retain all elements of the judgement in the evidence pack.

- E173** If the apprentice disagrees with the judgement outcome, the main provider must provide a facility for the apprentice to request a second opinion. The main provider must ensure that a second SEN professional independently reviews the outcome. The main provider may determine the format of the review process.
- E174** Where the apprentice needs to change to entry level 3 for English and / or maths due to their disability or learning difficulty the main provider must record this in the ILR as a change in the usual way.



## End-point assessments

### New for 1 August 2021

Clarification: To remove reference to the Functional Skills Qualifications temporary flexibilities which have now ended.

**E178** - New rule: To reflect that dialogue with the end-point assessment organisation must commence at least 6 months before the planned end date of the apprenticeship.

**E180** - New rule: To reflect that the employer must both select and negotiate the price with the EPAO at least 6 months before the apprentice reaches the gateway.

- E175** End-point assessment is a holistic and independent 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 each specific standard.
- E176** Apprentices will not be able to achieve an apprenticeship standard without satisfying all the requirements of its assessment plan, including the end-point assessment.
- E177** An apprentice can only take the end-point assessment once they have:
- E177.1** met the minimum duration of the apprenticeship. You must ensure that the entire duration of the apprenticeship standard for both training and end-point assessment a minimum of 372 days to be eligible for funding;
  - E177.2** satisfied the gateway requirements set out in its assessment plan (including any specific duration criteria); and
  - E177.3** you (in consultation with the main provider) are content they have attained sufficient skills, knowledge and behaviours to successfully complete the apprenticeship. In the case of an apprentice made redundant, where we are funding the apprenticeship to completion, the main provider can act as a proxy employer for the purposes of providing any required employer competency statement (see paragraph E179).
- E178** You, in consultation with the main provider must ensure that the apprentice is prepared and understands the end-point assessment process. Engaging the end-point assessment organisation can be at any time, but to ensure timely delivery of the end-point assessment the dialogue must commence at least 6 months before the planned end date of the apprenticeship. As part of this process all information required for the end-point assessment must be ready to present to the end-point-assessment-organisation for the gateway.
- E179** The apprentice must be employed until the end-point assessment is completed. The only exception is where the apprentice has been made redundant and we are funding the apprenticeship to completion. Consideration must be given to the potential time needed for any re-sit and / or re-training prior to re-taking the end-point assessment so the apprentice remains employed during this time.
- E180** At least 6 months before the apprentice reaches the gateway, you must have:

- E180.1** selected an organisation from the [Register of End-Point Assessment Organisations](#) (RoEPAO) to deliver the end-point assessment;
- E180.2** negotiated a price with the end-point assessment organisation. Only those organisations listed on the RoEPAO will be eligible to be funded.
- E181** Although you and the main provider will be involved in arrangements for end-point assessment, the assessment itself must be independent (subject to paragraph E182 below). Some assessment plans give the employer and the training provider specific roles but, with the exception of integrated standards, training providers who have delivered the training cannot make an end-point assessment judgement for that same group of apprentices.
- E182** The end-point assessment organisation for an integrated degree standard may also be the training provider, although to remain independent the assessment must be conducted by someone who has not been involved in the delivery of the apprenticeship.
- E183** The main provider must contract with the end-point assessment organisation that has been selected by you and lead the relationship with them including where the delivery of apprenticeship training is subcontracted. This allows the main provider, on your behalf, to make payment to the end-point assessment organisation for conducting the end-point assessment. The written agreement must set out the arrangements for sharing relevant information about the apprentice so end-point assessment and certification can take place, including arrangements for any re-takes and payments. This must also include arrangements for a change of circumstances, which may delay, or lead to the cancellation of, the end-point assessment.
- E184** You must ensure that the price you agree with the main provider for the apprenticeship includes the amount that you have negotiated with the end-point assessment organisation. This includes any cost of external quality assurance of the end-point assessment. Costs for external quality assurance will depend on the body undertaking it. You must ensure that you engage actively with any request for information from the external body, where applicable.
- E185** Eligible costs for end-point assessment organisations are set out in the [Conditions of Acceptance](#) document for organisations on the RoEPAO.
- E186** We expect that the cost of end-point assessment will not usually exceed 20% of the funding band maximum. This does not mean that end-point assessment must cost 20%; the cost that individual employers will pay for assessment varies between standards and we expect you to negotiate with assessment organisations to secure value for money. Where the total negotiated price is higher than the funding band maximum the difference must be paid by you.

## Contracting and subcontracting

### New for 1 August 2021

**E188** - Clarification: Further clarification on what is meant by “the employer’s apprenticeship programme” and additional examples of what would constitute a “token amount” are provided.

**E190** - New rule: To be clear subcontracting must not be used to meet short-term funding objectives.

**E192** - New rules: To describe the additional information that must be published alongside the subcontracting rationale.

**E195** - Clarification: That a main provider can use delivery subcontractors to complement their own delivery and these delivery subcontractors can deliver full or part-apprenticeship training. (NB This was an existing rule only previously included in the main provider / employer-provider rules).

**E199** - Clarification: Your main provider must maintain the relationship with you at all times. Your main provider must not allow a delivery subcontractor to lead that relationship. (NB This was an existing rule only previously included in the main provider / employer-provider rules).

**E202 to E204** - New rule: To be clear who is responsible for the actions of subcontractors including who is responsible for making alternative delivery arrangements, protecting the audit trail, and / or repaying ESFA when a subcontractor fails to deliver.

### **New for May 2022**

**E196.3** - New rule: A temporary exception to the Register of Apprenticeship Training Providers (RoATP) requirements for supporting providers (subcontractors) is being introduced to ease capacity challenges for training providers. This flexibility will enable providers and specialist organisations delivering specific provision to receive funding without the need to join RoATP. This exception will only apply when a need has been identified and will be limited by parameters set by DfE. Providers will need to submit an application to DfE and obtain written permission. All enquiries relating to this process can be directed to [RoATPSubcontracting.Exceptions@education.gov.uk](mailto:RoATPSubcontracting.Exceptions@education.gov.uk).

## **Main providers directly delivering training or on-programme assessment**

- E187** Funding for all elements of each apprenticeship will be routed through a single main provider that you have chosen. This includes funding for English and maths.
- E188** You must ensure that the main provider that you contract with directly delivers some of the apprenticeship training and / or on-programme assessment associated with your apprenticeship programme. By apprenticeship programme, we mean the apprentices that are being trained for you by your chosen main provider. The volume of training and / or on-programme assessment that the main provider directly delivers for you must have some substance and must not be a token amount to satisfy this rule. It must not be limited to a brief input at the start of your apprenticeship programme or involve delivery to just a few of a large number of apprentices. It does not include simply delivering maths and English or aspects of the apprenticeship which all apprentices must have, such as, safeguarding and British values or target setting.
- E189** You can find further information in the document [Using Subcontractors in the Delivery of Apprenticeships](#).
- E190** Your main provider must publish on their website by 31 October 2020 their rationale for subcontracting, which must enhance the quality of the learner offer. They must be clear



about the educational rationale for their subcontracting position. They must not subcontract to meet short-term funding objectives.

- E191** We expect the rationale to meet one of more of the following aims:
- E191.1** enhance the opportunities available for learners
  - E191.2** fill gaps in niche or expert provision, or provide better access to training facilities
  - E191.3** support better geographical access for learners
  - E191.4** to offer an entry point for disadvantaged groups
  - E191.5** give consideration of the impact on individuals with shared protected characteristics
- E192** Your main provider must also publish, before agreeing the use of subcontractors with you, the services they will provide when subcontracting and how they determine the associated costs. They must set their full range of fees retained and charges that apply including:
- E192.1** Funding retained for quality assurance and oversight.
  - E192.2** Funding retained for administrative functions such as data returns.
- E193** Your main provider must also set out how they will determine that each cost claimed by a sub-contractor is reasonable and proportionate to the delivery of their teaching or learning and how each cost contributes to delivering high quality learning.
- E194** Your main provider must also publish all services they will provide when subcontracting and the associated costs when doing so, including a list of specific costs for managing the subcontractor, specific costs for quality monitoring activities and specific costs for any other support activities offered by them to the subcontractor.
- E195** Your main provider can use delivery subcontractors to complement their own delivery if requested by you and agreed at the start of an apprenticeship. Within your apprenticeship programme (conditional on paragraph E164) delivery subcontractors can deliver full or part-apprenticeship training.
- E196** Where you ask them to use delivery subcontractors, they must satisfy one of the following three criteria:
- E196.1** they are on the published [Register of Apprenticeship Training Providers](#) and have applied by the main or supporting provider application routes;
  - E196.2** they are you or one of your [connected companies or charities](#) as defined by HMRC and are on the published Register of Apprenticeship Training Providers, having applied through the employer-provider application route; or
  - E196.3** they have applied to the Register of Apprenticeship Training Providers subcontracting exception process and been approved to be exempted from the requirement to be on the Register of Apprenticeship Training

Providers and can produce written approval from DfE confirming that the exception applies to them, including its duration. This temporary exception is effective from 25th May 2022 until 31 July 2023.

- E197** We will notify you if the training provider is removed from the Register of Apprenticeship Training Providers. If we terminate the training provider's agreement with the ESFA due to removal from the Register of Apprenticeship Training Providers, we will usually stop payments to the main provider three months from the date of this notification. You must give the main provider notice to terminate your contract with them.
- E198** Where you are the delivery subcontractor, you must only report actual costs of delivery.
- E199** Your main provider must maintain the relationship with you at all times. Your main provider must not allow a delivery subcontractor to lead that relationship.

### **Your written agreement with the main provider**

- E200** Your main provider must clearly describe to you and your potential subcontractor, before each subcontracting relationship is agreed, the reason for subcontracting and all services they will provide and the associated costs when doing so. This must include a; list of specific costs for managing the subcontractor, specific costs for quality monitoring activities, and specific costs for any other support activities offered by them to the subcontractor. All of these costs must be individually itemised and describe how each cost contributes to delivering high quality training. The main provider must also explain how such costs are reasonable and proportionate to delivery of the subcontracted apprenticeship training.
- E201** If you and your main provider agree the use of delivery subcontractors, you must have an up-to-date written agreement in place with them that sets out the following for the delivery of their apprenticeship programme:
  - E201.1** The apprenticeship training and / or on-programme assessment that they will directly deliver.
  - E201.2** The amount of funding they will retain for their direct delivery.
  - E201.3** The apprenticeship training and / or on-programme assessment that each delivery subcontractor will contribute to your apprenticeship programme.
  - E201.4** The amount of funding the main provider will pay each delivery subcontractor for their contribution.
  - E201.5** The specific amount of funding the main provider will retain to manage and monitor each delivery subcontractor.
  - E201.6** The specific amount of funding the main provider retains for each other support activity you will provide to each delivery subcontractor.
  - E201.7** The specific amount of funding the main provider will retain for the monitoring they will undertake to ensure the quality of the apprentice

training and / or on programme assessment they have contracted each delivery subcontractor to carry out.

- E201.8** A detailed description of how the funding retained for each activity detailed in E177.5 to E177.7 contributes to delivering high quality training and how the funding retained is reasonable and proportionate to delivery of the apprenticeship training described in E177.3.
- E201.9** Any actual or perceived conflict of interest between them and any delivery subcontractors. For example, where they and a delivery subcontractor are part of the same group, share common directors or senior personnel, or where they will benefit financially from using a particular delivery subcontractor.

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

- E202** Your main provider is responsible for the actions of their subcontractors connected to, or arising out of, the delivery of the services, which they subcontract. If your main provider's subcontractor fails to deliver, the main provider will be responsible for making alternative arrangements for the delivery of education and training.
- E203** Your main provider carries overall responsibility for the quality of apprenticeship training and on programme assessment undertaken by their delivery subcontractors.
- E204** If any of your main provider's delivery subcontractors undergo a change of circumstances that affects their ability to continue to deliver under a subcontract with your main provider then your main provider must make alternative delivery arrangements for each apprentice affected by this, in agreement with you. Change of circumstances include going into liquidation or administration, key delivery staff leaving the organisation, or removal from the Register of Apprenticeship Training Providers. The change of delivery arrangements must be recorded in your main provider's written agreement with you.

## **Special conditions for all instances where the employer is the delivery subcontractor**

- E205** Where the employer is the delivery subcontractor the main provider must only pay you for actual costs of delivery. Employers must not profit from apprenticeship delivery to their own employees.

## **Disputes and issue resolution between the employer and main provider**

- E206** The main provider is responsible for resolving issues and disputes between you and their delivery subcontractors. Main providers and assessment organisations must provide you and your apprentices with their written complaints and dispute resolution procedure, policy and process. The first contact point for this must be included in the written agreement and in the commitment statement.
- E207** Agreements entered into between you and the main provider are legal agreements and dispute resolution should be in accordance with the terms of the written agreement and ultimately would be enforceable through the courts.

- E208** You and your apprentices must be made aware by the main provider that you can contact the apprenticeship helpline regarding apprenticeship concerns, complaints and enquiries. The contact number and website must also be included in the written agreement and in the apprentice's commitment statement.
- E209** If you are unable to resolve your complaint with the main provider you may make a complaint in accordance with the [ESFA's procedure](#) for dealing with complaints about training providers.

## **Paying for an apprenticeship**

- E210** The funding method for an apprenticeship is determined at the start of each apprentice's programme. Where the employer does not pay the apprenticeship levy at the start of the apprenticeship, it will be funded through government-employer co-investment for its duration unless the apprentice changes employer. Even if the employer subsequently becomes a levy-payer, the apprenticeship will not be funded from the employer's apprenticeship service account.

## **The price of an apprenticeship**

- E211** You and your main provider must negotiate a price for the total cost of each apprenticeship, including the training costs and any subcontracted training. The price must include the cost of the end-point assessment which you must negotiate with the end-point assessment organisation.
- E211.1** When negotiating a price with the main provider you must ensure that the main provider has reduced the content, duration and price of the apprenticeship to account for prior learning necessary to achieve the apprenticeship. The main provider must conduct a thorough assessment of the apprentice's prior learning. Funds must not be used to pay for knowledge, skills and behaviours already attained by the apprentice.
- E211.2** If you negotiate a price that is 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 negotiated price. This must not be funded from your apprenticeship service account or co-investment. Main providers may charge VAT on the difference. The funding bands, and standards placed within them, may be subject to change.
- E212** The main provider must not offset the negotiated price with the costs of any service provided by you. If you are legitimately delivering relevant training or an eligible cost supported by these rules, then this must be included in the overall price. The cost of the apprenticeship must be transparent.
- E213** Once the price has been negotiated, we do not expect the total price of the apprenticeship to change. The only exceptions to this are when there is a change of circumstances or when the end-point assessment cost is not known at the start of the apprenticeship. We will monitor changes of price and patterns of behaviour to identify fraudulent activity. The 'changes to the apprenticeship, main provider or employer' section (see paragraphs E289 to E343) has further details on change of circumstances.

## Employer co-investment

### New for 1 August 2021

**E217** - Clarification: You may agree a schedule of co-investment payments with the main provider, which does not match payments made by us each month.

**E218** - Clarification: To reflect that we may withhold the provider's final completion payment until all the necessary employer co-investment has been collected.

**E214** Where the monthly cost of apprenticeship training cannot be fully met by funds from your apprenticeship service account (because there are insufficient funds), you must co-invest the relevant co-investment rate of the outstanding balance for that month. This rate will be the co-investment rate that was in place on the date the apprenticeship started:

Co-investment rates for apprenticeships that started:	
before 1 April 2019	on or after 1 April 2019
10%	5%

Please refer to the Apprenticeships Technical Funding guide for more information about what change of circumstances affect the co-investment rate.

**E215** If you do not pay the apprenticeship levy you must also co-invest at the relevant co-investment rate, towards the agreed cost of apprenticeship training (see table above). The government will pay the remaining percentage up to the funding band maximum. Where the funding band maximum is exceeded, you must pay all the additional costs above the funding band maximum.

**E216** Main providers will need to invoice you separately for any employer co-investment, including any VAT.

**E217** You may agree a schedule of co-investment payments with the main provider, which does not match payments made by us each month.

**E218** Main providers will need to show to us that they have received your co-investment payments to justify the government's contribution. If they cannot do that then we may withhold their completion payment. Where you are required to pay co-investment, this must be a transfer of funding visible in the main provider's financial systems. This will typically be in the form of a main provider invoice and corresponding employer payment.

**E219** You must not seek or accept any refund, in total or in part, of your co-investment contribution.

**E220** The only exceptions to employer co-investment are:

- E220.1** English and maths, to achieve the required government standard (see paragraphs E152 to E174);
- E220.2** where you qualify for extra support for small employers (see paragraphs E148 to E151);
- E220.3** for any learning support for the apprentice (see paragraphs E71 to E72);
- E220.4** for any additional payments (see paragraphs E91 to E97); and
- E220.5** where you deliver to your own staff as an employer-provider.

## **When payments are made**

- E221** We will pay the main provider 80% of the negotiated price up to the maximum value of the funding band, in equal monthly instalments according to the planned duration of the apprenticeship regardless of how training is scheduled over the duration of the apprenticeship. The deductions from your apprenticeship service account will mirror these payments where funds are available.
- E222** We will pay the remaining balance of the negotiated price, up to the maximum value of the funding band, to the main provider when the apprentice has undertaken all the activity relevant to the apprenticeship, including completing all elements of the end-point assessment.
- E223** The deductions from your apprenticeship service account will mirror these payments where funds are available.

## **Funds in your apprenticeship service account (levy paying employers)**

- E224** You must only add PAYE schemes for you or your connected companies or charities (according to [HMRC's definition](#)) to your apprenticeship service account.
- E225** Public bodies cannot usually be connected for apprenticeship levy purposes. If you are setting up an apprenticeship service account for a public body, you must only add the PAYE scheme or schemes for one employer, that is, a government department, local authority or non-ministerial department.
- E226** There are some exceptions where public bodies are considered to be corporate bodies, companies or charities. If your organisation is connected, as defined by HMRC employment allowance connection rules, and shares one apprenticeship levy allowance, then you could set up an account with another connected employer.
- E227** We will monitor accounts to check that PAYE schemes are properly used. If we have any questions, we may ask you to provide evidence that the employers sharing an apprenticeship service account are connected.
- E228** You must:
  - E228.1** remove PAYE schemes from your apprenticeship service account that are no longer operated by the employer associated with the account (or leaves the group of connected companies);

- E228.2** ensure the PAYE scheme for the apprentice's employer is associated with the same apprenticeship service account which records the apprenticeship for them;
- E228.3** only register with the apprenticeship service for the purpose of accessing funds where you have a realistic expectation of paying the levy in that financial year; and
- E228.4** manage users associated with your account including:
  - E228.4.1** removing users who are not authorised to act on your behalf; and
  - E228.4.2** controlling who can add users.
- E229** Where your apprenticeship service account is used to fund training and assessment, you are responsible for recording the required details of the apprenticeship in your account. You can give the main provider permission to enter this information on your behalf but you will need to authorise the apprentice details so we can use your apprenticeship service funds to pay for that apprentice's apprenticeship.
- E230** Only you can confirm the spending of funds from your apprenticeship service account. You must not delegate this function to the main provider, and they must not take on this responsibility.
- E231** You must not allow any third party to authorise payments through your apprenticeship service account.
- E232** To be funded from your apprenticeship service account, the data entered into the apprenticeship service account must correspond with the information submitted by the main provider to us each month through the ILR. Payments to your chosen main provider will only be made if these details match.
- E233** If we withhold payments to the main provider because there is not a match, we will reconcile the payments due to the main provider when the data matches and make the corresponding changes to your apprenticeship service account.
- E234** You must not ask for, or demand, a fee from a main provider or an intermediary for access to funds in your apprenticeship service account.
- E235** As a result of retrospective changes to the amount of apprenticeship levy declared to HMRC, the balance in your apprenticeship service account could go up or down. If an adjustment reduces your balance to a negative value that persists, the ESFA may ask you to pay the ESFA this value, discounted by the co-investment rate in place when the apprenticeship started. We will provide you with details of this payment including the amount due and when to make a payment.
- E236** If your organisation is subject to structural changes, including mergers and acquisitions, you must contact us.

## Reservation of funds by non-levy employers

- E237** If you do not pay the levy you can reserve funds using the apprenticeship service to access apprenticeship funding. More information on reservation of funds can be found in [Apprenticeship funding in England](#).
- E238** Where you are using the apprenticeship service to reserve funds to fund training and assessment, you are responsible for recording the required details of the apprenticeship. You can give providers permission to reserve funding, and to enter this information on your behalf. The information in your apprenticeship service account must correspond with the information recorded on the ILR. It is your responsibility to ensure the accuracy of information within the reservation.
- E239** Reserved funds are classed as government-employer co-investment and all rules associated with government-employer co-investment must be followed when using reserved funds. Please see E214 to E223.
- E240** Funding cannot be secured through both reservations, and via contracted provision, for a single apprentice on an apprenticeship unless:
- E240.1** an apprenticeship was funded via contracted provision and following redundancy needs to be funded via a reservation to allow an apprentice to continue / complete their apprenticeship with a new employer.
  - E240.2** an apprenticeship was funded via contracted provision and following provider failure needs to be funded via a reservation to allow an apprentice to continue / complete their apprenticeship with a new provider.
- E241** Each reservation is linked to your account. If a provider reserves funds on your behalf, you can use this reservation with any provider. You can change the provider at any time up to the point of the commitment.
- E242** If you and a provider are planning to use reserved funds to fund an apprentice, you must reserve funds in advance of recruitment or an offer of an apprenticeship being made to an existing employee.
- E243** When making a reservation you, or the provider, must declare:
- E243.1** the month the apprenticeship training will start; and
  - E243.2** the apprenticeship standard
- E244** Reservations can only be used for:
- E244.1** New apprenticeship starts; and
  - E244.2** Re-starts where:
    - E244.2.1** The apprenticeship was funded via contracted provision and following redundancy needs to be funded via a reservation to allow an apprentice to continue / complete their apprenticeship with a new employer.



**E244.2.2** The apprenticeship was funded via contracted provision and following provider failure needs to be funded via a reservation to allow an apprentice to continue / complete their apprenticeship with a new provider.

- E245** Where funds have not been reserved before the apprenticeship start or re-start date, you, or the provider, must reserve funds no later than the end of the calendar month in which the apprentice starts or re-starts.
- E246** Where an apprenticeship has started or re-started and funds have not been reserved, if you want to use reserved funds to fund that apprenticeship, you, or the provider, must reserve funds for a future available month. You and the provider must re-start the apprentice on their apprenticeship and re-determine eligibility in line with the start date confirmed in the reservation. This includes, where applicable, updating the apprenticeship agreement and commitment statement.
- E247** An ILR cannot be submitted where funds have not been reserved for a start or re-start and a commitment has not been made for an apprentice, with matching details.
- E248** If you or the provider have made a reservation we will guarantee funds, subject to the reservation being converted into a commitment and the rest of the funding rules being met. Eligibility is determined at the start of an apprenticeship programme, not on the date of reservation.
- E249** Following a reservation:
- E249.1** A commitment must be made on the apprenticeship service. Information on [how to convert a reservation to a commitment](#) can be found on GOV.UK
- E249.2** All ILR fields must be accurately completed for an apprentice as required in the [ILR specification](#).
- E250** Reservations will expire if they are not used within 3 months of the start date detailed within the reservation. If the reservation expires before the apprentice starts, you or the provider will need to make a new reservation. New reservations are subject to government funds being available.
- E251** If a change of circumstance occurs that results in the need for a new reservation on the apprenticeship service, you (or the provider) must contact the [apprenticeship service support desk](#). You will have used a reservation creating the original commitment for the apprentice and must not make a second due to change of circumstances. More information on when to contact us can be found in the change of circumstances section.

## Qualifying days for funding

- E252** To qualify for apprenticeship funding the apprentice must be in learning for a minimum of 42 days between the learning start date and learning planned end-date.
- E253** Where funding is paid for an apprentice who does not subsequently meet the qualifying period, we will recover the funding from the main provider. These funds will be returned to your apprenticeship service account.

## Subsidy control

### New for 1 August 2021

**E254 to E257** - New Rules: Section updated to reflect new Subsidy Control rules.

- E254** Funds received by main providers from your apprenticeship service account (including government top-ups to funds), government-employer co-investment and additional payments, do not fall within the scope of subsidy control from 1 August 2021 to 31 July 2022.
- E255** The waiving of the employer contribution for small employers is subject to subsidy control regulations. For more information on Subsidy Control, please visit the [subsidy control guidance](#) on GOV.UK.
- E256** Transfers of funds are subject to subsidy control regulations. For any transfer you receive, a percentage of the transferred funds will count towards your Small Amounts of Financial Assistance exemption. This percentage represents the amount of co-investment you would have otherwise had to contribute towards the apprenticeship, if funds had not been transferred. The percentage rate is dependent on when the apprenticeship started – for further information about these rates, please refer to the table in paragraph E214.
- E257** You must complete a subsidy control declaration for funding you receive as a result of the waiver of the employer contribution for small employers and transfers. You must give this to the main provider to keep in the evidence pack. If you have any concerns about exceeding your Small Amounts of Financial Assistance exemption, please contact your main provider for further guidance.

## Apprenticeships funded by transfer of levy funds

### Introduction for all employers

#### New for 1 August 2021

**E265, E269 and E282** - Clarification: updates to reflect the upcoming launch of the online matching service.

#### New for November 2021 – version 2

**E273 and E283** - New rule: updates to reflect that from February 2022, we are removing the restriction on sending employers not being able to receive any transferred funds from other levy-paying employers whilst they are funding a transfer.

- E258** Levy-paying employers can transfer a percentage of their levy funds, which were declared for the previous tax year, to other employers, including apprenticeship training agencies (ATAs). The transfer allowance percentage is currently set at 25%.

**E258.1** The transfer allowance will be calculated from the total amount of levy declared during the previous tax year, with the English percentage applied, plus the 10% government top-up payment. This allowance is recalculated every tax year and any unused allowance will not be carried forward.

**E259** Employers receiving transferred funds will only be able to use them to pay for training and assessment for apprenticeship standards, for new apprenticeship starts. A transfer must be agreed and put in place before an apprentice (being funded by the transfer) starts their apprenticeship. The only exception to this is where the apprentice is changing employer and an agreement to continue their apprenticeship with their new employer is via a transfer of levy funds - this must be agreed by the point the apprentice starts with their new employer.

## Rules for sending employers

**E260** A sending employer is a levy-paying employer who wishes to transfer levy funds in their apprenticeship service account to another employer to support their delivery of an apprenticeship standard. These funds can only be used for the cost of apprenticeship training and assessment.

**E261** We will calculate the transfer allowance around the start of each tax year (the calculation is based on the period 12 levy figure declared to HMRC). The transfer allowance is calculated on declared levy multiplied by the English percentage, along with the 10% automatic top up from government.

**E262** If you are part of an account with connected organisations your transfer allowance will be calculated from the total levy declared by all organisations included within the account at the time of the calculation. You will not have an individual transfer account.

**E263** Provided you do not exceed the transfer allowance, you are able to transfer funds to any number of employers.

**E264** To send a transfer, if prompted, you must re-sign the ESFA [employer agreement](#).

**E265** Where applicable, you must agree with the receiving employer the criteria of the apprenticeship which you will fund and the price that they have agreed with their chosen main provider and end-point assessment organisation. You will need to approve these details through the apprenticeship service and ensure you do not exceed your transfer allowance.

**E266** By agreeing to fund an apprenticeship with a transfer, you are committing to fund the apprenticeship over its entire duration until completion. You will need to ensure that you will have enough transfer allowance to cover these costs over the relevant number of years. You will not be able to stop payments once you have approved the apprenticeship on the apprenticeship service and transfer payments will be deducted from your levy account first, prior to your own apprenticeships.

**E267** The transfer amount should cover 100% of the eligible training and assessment costs, up to the funding band maximum, of the apprenticeship standard. This

does not include English and maths training up to and including level 2, which is funded separately.

- E268** You cannot jointly fund an apprenticeship with another levy-paying employer.
- E269** You must not impose conditions on the transfer, such as choosing the receiving employer's main provider or end-point assessment organisation for them. This does not include any criteria that you may have set around your transfer pledge.
- E270** You must not seek or accept any incentives or inducements or any other payments not authorised by us in exchange for sending a transfer.
- E271** If you are a main provider who is also a levy-paying employer (this includes any [connected companies](#)), you must not deliver training to apprentices you are funding through a transfer. This includes where you are acting as a main provider or a subcontractor.
- E272** The funds that you transfer will retain their initial date of expiry; the date of transfer will not affect this.
- E273** As a sending employer, you will not be able to receive any transferred funds from another levy-paying employer, while you are funding a transfer.

From February 2022 this restriction will be removed. Therefore, from this date, if you are a sending employer (with existing transfer commitments) then you will be able to receive funds, in order to take on new apprenticeship starts, from another levy-paying employer.

- E274** Once the transfer of levy funds has been processed, the responsibility and liability of the transfer funded apprenticeship lies solely with the receiving employer. The sending employer has no accountability for that apprenticeship going forward, apart from the commitment to fund the apprenticeship over its entire duration until completion.

## Rules for receiving employers

- E275** A receiving employer is any (levy-paying or non-levy paying) employer who receives a transfer of funds from a levy-paying employer.
- E276** For the purposes of apprenticeships funded by a transfer, the receiving employer is treated as a levy-paying employer.
- E277** To receive a transfer, if prompted, you must sign the ESFA [employer agreement](#) and ensure apprenticeships funded by a transfer follow the rules in this document.
- E278** Once the transfer of levy funds has been processed, the responsibility and liability of the transfer funded apprenticeship lies solely with the receiving employer. The sending employer has no accountability for that apprenticeship going forward, apart from the commitment to fund the apprenticeship over its entire duration until completion.
- E279** The transfer amount you receive should cover 100% of the eligible training and assessment costs, up to the funding band maximum, of the apprenticeship standard. This does not include English and maths training up to and including level 2, which is funded separately.

- E280** You will need to set up an apprenticeship service account if you do not already have one. You will need to enter details of the apprenticeship that the transferred funds relate to. If you already have an apprenticeship service account, you may use this to receive a transfer.
- E281** The rules on what apprenticeship funding can be spent on are set out in the eligible costs section at paragraph E85.
- E282** Before entering the details on your apprenticeship service account, you must:
- E282.1** agree the transfer details with the sending employer (either by an approved pledge application or by a direct transfer connection);
  - E282.2** agree with the main provider which apprenticeship standard your apprentice will be undertaking; and
  - E282.3** confirm the price that you have negotiated with your main provider. All parties will need to approve these details through the apprenticeship service.
- E283** If you are a levy-paying employer, you must not transfer funds to other employers while you are in receipt of transferred funds.
- From February 2022, this restriction will be removed. This will allow existing sending employers (with existing transfer commitments) to be able to receive transferred funds, from another levy-paying employer, in order to take on new apprentice starts.
- E284** You must not provide any incentives or inducements or any other payments not authorised by us in return for receiving a transfer.

### **If the total cost cannot be covered by the transfer**

- E285** If you do not pay the levy or have exhausted the levy funds in your apprenticeship service account, and at any point the 'sending' employer has insufficient funds to cover the cost of your apprenticeship training you must pay co-investment to your main provider for the remainder. The rate at which you will need to pay co-investment will depend on when the apprenticeship started. Please refer to the table in paragraph E214 for details of the rates.
- E286** If you are a levy-paying employer, if at any point the 'sending' employer has insufficient funds to cover the cost of your apprenticeship training and you have sufficient levy funds available then these funds will automatically be used before you enter co-investment.
- E287** If the total negotiated price of the apprenticeship exceeds the funding band maximum, you must pay all of the additional costs.

### **Monitoring**

- E288** We will monitor transfer activity to ensure apprenticeship funding is used appropriately and may take action where you do not meet the terms and conditions of using apprenticeship funding. These terms and conditions are set out in these funding rules and the ESFA employer agreement.

## Change of circumstance

### New for 1 August 2021

**E289.1** - New rule: To reflect where there is a change to the apprentice's programme (including changing to a new version of a standard).

**E289** If any circumstances change that affect any agreement made between you and the main provider, you must revise existing agreements or create new agreements. This includes:

**E289.1** changes to the apprentice's programme (including changing to a new version of a standard (see paragraphs E312 to E322);

**E289.2** changes to price;

**E289.3** changes to the apprentice's eligibility;

**E289.4** any updates required to your apprenticeship service account;

**E289.5** changes to the apprentice's contract or working pattern;

**E289.6** changes to the apprenticeship duration;

**E289.7** changes to the main provider or subcontractor; or

**E289.8** breaks in learning.

**E290** An apprentice must be employed continuously for the duration of the apprenticeship. If their employment is terminated, the individual cannot continue with their off-the-job training (with the exception of redundancy).

**E290.1** When employment or an apprenticeship agreement has ended (resignation, dismissal or any other action by the apprentice or the employer that results in the apprenticeship agreement ending, with the exception of redundancy) and new employment has commenced within 30 days we do not expect a withdrawal to be recorded

**E290.2** When employment or an apprenticeship agreement has ended (resignation, dismissal or any other action by the apprentice or the employer that results in the apprenticeship agreement ending, with the exception of redundancy) and new employment hasn't commenced within 30 days, you must manage this using a withdrawal to ensure funds are not paid when the apprentice is not employed, in line with rules E339 to E341.

## Breaks in learning

### New for 1 August 2021

The flowchart has been updated and moved to a new position in the document to follow the text on breaks in learning.

**E291** The apprentice may take a break in learning where they plan to return to the same apprenticeship programme. The decision to take a break in learning, the reason for the break and its expected duration must be agreed with you. This could include medical treatment, parental leave or leave for other personal reasons. The main provider must record breaks in learning on the ILR and re-plan the delivery of any remaining training and / or assessment following a break, if required. You must revise the apprenticeship agreement if required.

A break in learning must not be recorded:

**E291.1** For annual leave, public holidays and short-term absences (up to 4 weeks).

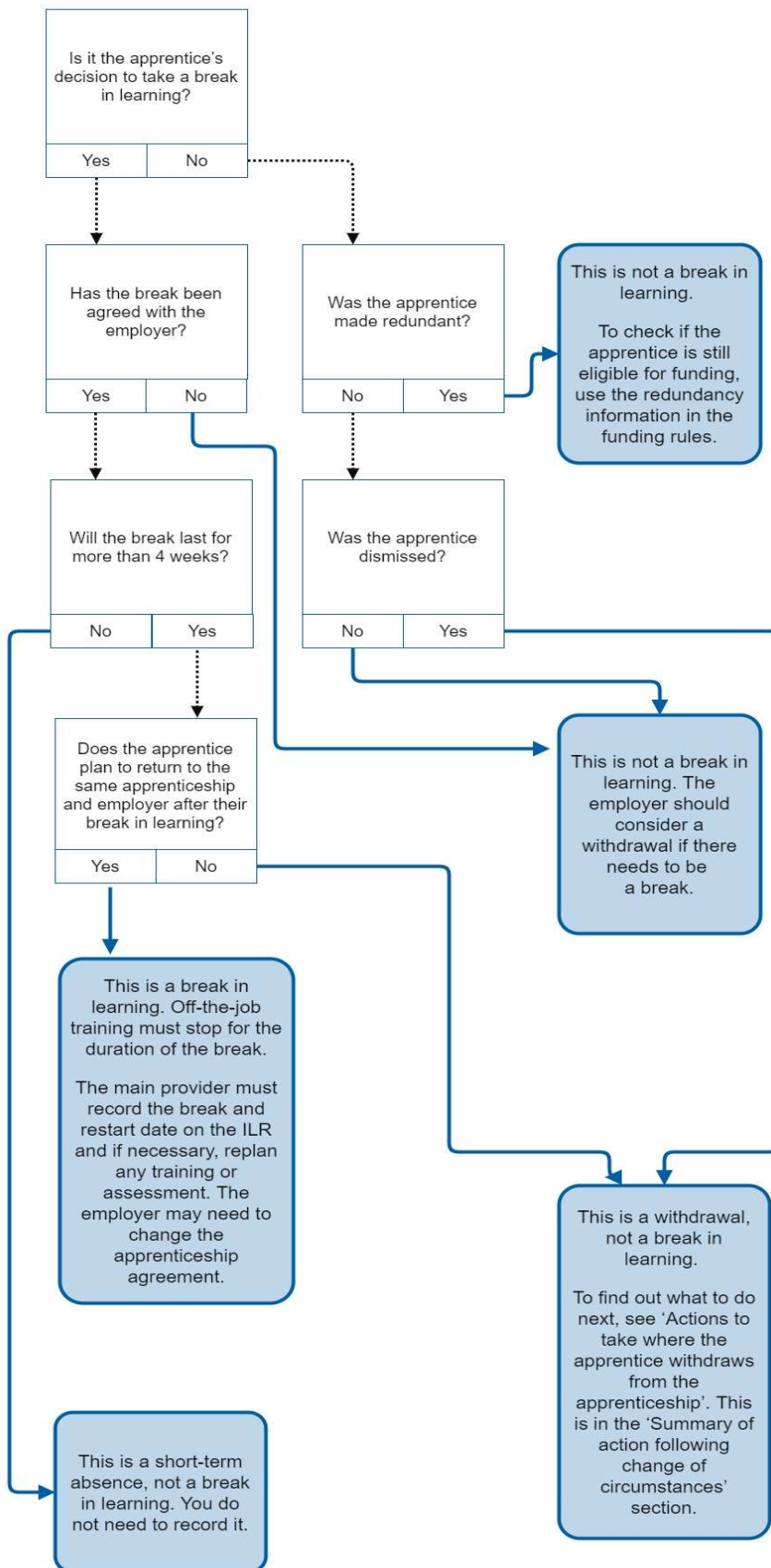
**E291.2** When employment or an apprenticeship agreement has ended (redundancy, resignation, dismissal or any other action by the apprentice or the employer that results in the apprenticeship agreement ending). Where an apprentice has been made redundant the main provider must refer to the redundancy section in the apprenticeship funding rules for training providers.

**E292** We will stop making payments from funds in your apprenticeship service account or government-employer co-investment if an apprentice has a break in learning. Your main provider must inform us through their ILR if an apprentice takes a break in learning. If this does not occur, you may temporarily pause payments through your apprenticeship service account until the provider's ILR data has been updated.

**E293** 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.

**E294** We will monitor take-up of additional payments and unusual patterns of activity to identify any potential fraud or irregularity.

## Flow chart: Find out what to do if your apprentice wants to take a break in learning





## Where training or assessment stops

- E295** Where a change of circumstance means that training and / or assessment is no longer being delivered, no further funds from your apprenticeship service account, government-employer co-investment or additional payments will be made.
- E296** In these circumstances, your main provider must inform us of the date training or assessment activity stopped through their ILR. The main provider must ensure that you have paid any mandatory co-investment due for any training or end-point assessment already delivered.
- E297** You may alert us through your apprenticeship service account at any time if training and / or assessment is no longer being delivered. If the apprentice is made redundant, you must stop payments in your apprenticeship service account. The stop date you apply in your account must correspond with the date the apprentice is made redundant.
- E298** When a change of circumstance results in over-payment of funds from your apprenticeship service account or government-employer co-investment, any over-payment must be repaid by the main provider to us. We will then credit the appropriate funds to your apprenticeship service account. The main provider must follow the arrangements set out in their agreement with you for any over-payment by you.
- E299** You must agree with the main provider any reimbursement of your co-investment made for learning paid for, but not undertaken, or learning delivered, but not yet paid up to the employee's leave date, or the date of their break in learning, as needed.
- E300** If any change of circumstances is not included in this section, you must seek advice from us about what action you must take. Please use our [enquiry form](#).

## Redundancy

### **New for 1 August 2021**

- Text related to the previous redundancy policy has now been deleted.
- The flowchart has been updated.

### **Apprentices made redundant on or after 15 October 2020 who, on the day of dismissal, are within six months of the final day of the apprenticeship practical period OR they have completed at least 75% of the apprenticeship practical period**

- E301** Apprentices who have their apprenticeship agreement terminated by reason of redundancy, on or after 15 October 2020, and who, on the day of dismissal, are either within six months of the final day of the practical period, OR have completed at least 75% of the practical period specified in the apprenticeship agreement, may continue their apprenticeship training without being employed under an apprenticeship agreement (see paragraph E21.1.1). In these circumstances:
- E301.1** The main provider can continue to deliver the apprenticeship's training as long as all the remaining elements, including the end-point assessment, can be successfully delivered.

- E301.2** We will fund 100% of the remaining costs of the price negotiated between the main provider and the employer up to the funding band maximum.
- E301.3** The main provider must record the change in employment status in the ILR and, where applicable, you must stop payments from your apprenticeship service account, including where the apprenticeship is funded by a transfer. These dates must match the date the apprentice's apprenticeship agreement was terminated.
- E301.4** The main provider must retain evidence of the apprentice's redundancy in the evidence pack.
- E301.5** The main provider must support the apprentice through to the end of the apprenticeship, including any assessment.
- E301.6** The main provider must have evidence that they have made reasonable efforts to find the apprentice a new employer.
- E301.7** If the apprentice finds a new employer where they can complete their apprenticeship, then the new employer assumes all outstanding liabilities and benefits from that point. The main provider must negotiate a new price, if required, with the new employer and input this on the ILR.
- E301.8** If the apprentice takes a job with an employer which is not related to their apprenticeship, we will continue to fund them as per paragraph E301.2.

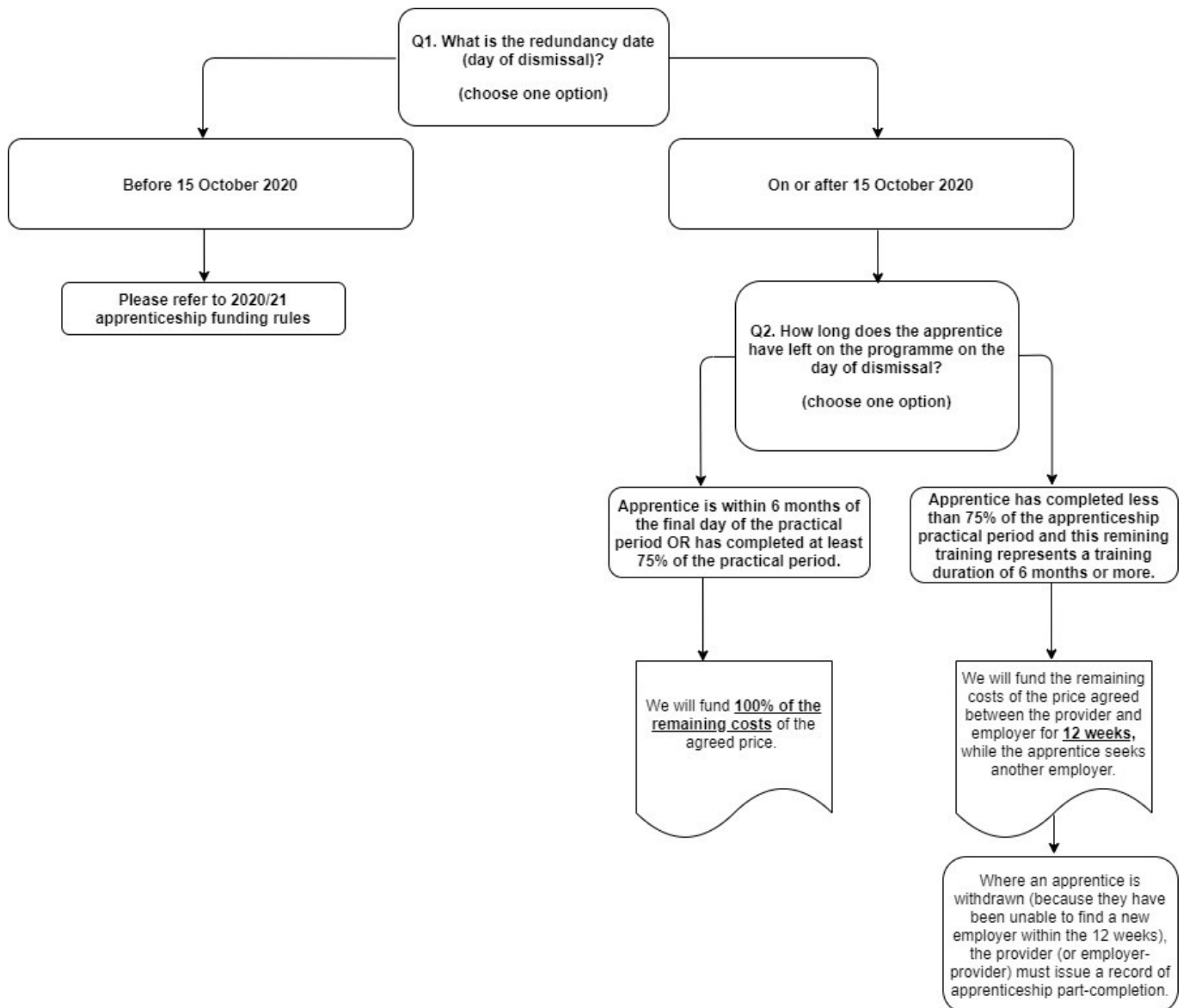
**Apprentices made redundant on or after 15 October 2020 and who, on the day of dismissal, have completed less than 75% of the apprenticeship practical period and the remaining training represents a training duration of six months or more**

**E302** Apprentices who have their apprenticeship agreement terminated by reason of redundancy, on or after 15 October 2020, and who, on the day of dismissal, have completed less than 75% of the practical period specified in the apprenticeship agreement, and the remaining training represents a training duration of six months or more, may continue their apprenticeship training without being employed under an apprenticeship agreement (see paragraph E21.1.2). In these circumstances:

- E302.1** The main provider can continue to deliver the apprenticeship's training, where it can be successfully delivered.
- E302.2** We will fund the remaining costs of the price agreed between the main provider and the employer for 12 weeks, while the apprentice seeks another employer.
- E302.3** The main provider must record the change in employment status in the ILR and, where applicable, you must stop payments from your apprenticeship service account, including where the apprenticeship is funded by a transfer. These dates must match the date the apprentice's apprenticeship agreement was terminated.
- E302.4** The main provider must retain evidence of the apprentice's redundancy in the evidence pack.

- E302.5** The main provider must have evidence that they have made reasonable efforts to find the apprentice a new employer.
- E302.6** If the apprentice finds a new employer where they can complete their apprenticeship, then the new employer assumes all outstanding liabilities and benefits from that point. The main provider must negotiate a new price, if required, with the new employer and input this on the ILR.
- E302.7** If the apprentice takes a job with an employer which is not related to their apprenticeship, we will continue to fund them as per paragraphs E302.2.
- E302.8** Where a new employer is not found within 12 weeks the main provider must record the apprentice as withdrawn and they must record the withdrawal reason as redundancy.
- E302.9** Where an apprentice is withdrawn because they have been unable to find a new employer, the main provider must provide a 'record of apprenticeship part-completion' to support the individual to find new employment. This record must include, as a minimum:
- E302.9.1** the apprentice details.
  - E302.9.2** the level and subject.
  - E302.9.3** the start date and planned end date.
  - E302.9.4** the percentage of the apprenticeship completed.
  - E302.9.5** a summary of the knowledge, skills and behaviours that the main provider considers they have developed and evidenced.
  - E302.9.6** in the case of apprenticeships with mandatory qualifications, the qualification, or units thereof, achieved.

## Flow chart: What to check in the case of redundancy



## Maternity, adoption and shared parental leave

### New for 1 August 2021

**E308.1** - Clarification: To reflect that a break in learning must be used where the individual has agreed, with their employer and provider, to take a break of 4 weeks or more from their apprenticeship (with or without a break from work) but plans to return to the programme in the future.

### Maternity leave

**E303** An apprentice may carry out up to 10 days' work for her employer without bringing her maternity leave period to an end (referred to as keeping in touch or KIT days).

- E303.1** If an apprentice wishes to use any of her 10 designated KIT days to continue apprenticeship training and / or assessment, including end-point assessment, they may do so.
- E303.2** Apprentices will lose their entitlement to statutory maternity pay and may bring their statutory maternity leave to an end if they undertake more than 10 days' work (their KIT entitlement) during their maternity leave. This may not affect any contractual rights.
- E303.3** Where KIT days are to be used for off-the job training during a period of maternity leave, you are required to agree in writing, with the apprentice and the employer, certain details (see paragraph E307). A copy of this agreement is to be kept in the apprentice evidence pack.

### **Adoption leave**

- E304** An apprentice may carry out up to 10 days' work for their employer during their statutory adoption leave period without bringing their statutory adoption leave or adoption pay period to an end (referred to as keeping in touch or KIT days).
- E304.1** Where KIT days are to be used for off-the job training during a period of adoption leave, you are required to agree in writing, with the apprentice and the employer, certain details (see paragraph E307). A copy of this agreement is to be kept in the apprentice evidence pack.

### **Shared parental leave:**

- E305** An apprentice may work for up to 20 days during the shared parental leave period for each of their employers without bringing their leave to an end. These days are "shared parental leave in touch" (SPLIT) days. These are separate and additional to any KIT days during a period of maternity or adoption leave.
- E305.1** Where SPLIT days are to be used for off-the job training during a period of shared parental leave, you are required to agree in writing, with the apprentice and the employer, certain details (see paragraph E307). A copy of this agreement is to be kept in the apprentice evidence pack.

### **Paternal leave**

- E306** Statutory paternal leave is a maximum of 2 weeks. Any breaks of less than 4 weeks do not need to be reported to the ESFA. The expectation is that you would structure the off-the-job training delivery around any paternal leave allowing the apprentice to complete training as per the original plan.

### **The agreement**

- E307** Where an apprentice and employer wish to use KIT / SPLIT days to continue apprenticeship off-the-job training and / or assessment during a period of maternity, adoption or shared parental leave, you must complete the following agreement. This agreement must be signed by all 3 parties and must include:
  - E307.1** The apprentice's reason behind the request to continue apprenticeship training during KIT / SPLIT\* days;

- E307.2** The number of KIT / SPLIT\* days intended to be used and the type of training and number of hours proposed to be undertaken on these days. Any training carried out any KIT / SPLIT day would constitute a day's work (and therefore one KIT / SPLIT day);
- E307.3** The employer's support and endorsement of this use of KIT / SPLIT\* days;
- E307.4** The provider's support and endorsement of this arrangement;
- E307.5** An acknowledgement by the apprentice that in undertaking training and / or assessment, including end-point assessment, on KIT / SPLIT\* days this will impact on their entitlement to KIT / SPLIT\* days as well as statutory maternity / adoption / shared parental\* leave and pay (i.e. they may lose statutory maternity / adoption / shared parental\* leave and pay if KIT / SPLIT\* days are exceeded); and
- E307.6** An agreement by the employer and provider in relation to the timing of KIT / SPLIT\* days relative to the monthly payments that the provider will continue to receive if a break in learning is not utilised.
  - E307.6.1** If there is a gap of 4 weeks or more between two KIT / SPLIT days, then a break in learning must be used to pause funding.

(\*delete as appropriate e.g. KIT / SPLIT, maternity / adoption / shared parental)

- E308** The intention of the policy arrangements described in paragraphs E303 to E307 is to allow an apprentice with minimal training left (less than the available number of KIT days) to complete their apprenticeship during their leave or to allow for an incremental return to training prior to returning to the workplace (e.g. to train with a cohort).
  - E308.1** A break in learning must be used where an individual agrees, with their provider and employer, to take a break of at least 4 weeks from their apprenticeship (with or without a break from work) but plans to return to their apprenticeship in the future.
  - E308.2** The maternity, adoption and shared parental leave policy and the use of KIT / SPLIT days is not designed to support sporadic activity during a long period of leave, and you must, where possible, avoid multiple breaks in learning.

### **Recording off-the-job training during a period of maternity / adoption / shared parental leave**

- E309** During a period of maternity / adoption / shared parental leave, only the off-the-job training that is delivered on the KIT / SPLIT day(s) can be included towards the minimum off-the-job training requirement. At all other times during the leave period, the apprentice is not 'working' and therefore off-the-job training must not be delivered during this time and must not be included in the minimum requirement.

## Actions for the provider and employer to take

- E310** If the apprentice is not intending to use any KIT / SPLIT days to continue off-the-job training during their period of maternity / adoption / shared parental leave, please follow the guidance for breaks in learning (see paragraphs E323 to E324). The break in learning would be used for the full period of maternity / adoption / shared parental leave.
- E311** If the apprentice is intending to use KIT / SPLIT days to continue off-the-job training during their period of maternity / adoption / shared parental leave, please see paragraphs E325 to E326.

## Changing to a new version of a standard

### New for 1 August 2021

**E312 to E322** - New rules: For when an existing apprentice wishes to move to a different version of the same standard.

### New for 1 August 2021 – version 1

**E313 and E318** - Clarification: To reflect that the availability of an end-point assessment organisation must be considered before enabling an apprentice to move versions.

- E312** The below funding rules apply where an existing apprentice wishes to move to a newer version of the same standard including those assigned new version costs under IfATE's revisions, adjustments and dispensations process.
- E313** Apprentices on programme on the earlier version of a standard may transfer to the latest version of the same standard (that is where the ST number remains the same) at any stage within their apprenticeship subject to meeting the rules on end-point assessment (see paragraphs E178 and E180).
- E313.1** Where an apprentice is on-programme on a standard which has been replaced with a new apprenticeship standard (that is with a new ST code), this would be treated as a change of programme.
- E314** Where an apprentice wishes to move to a new version of a standard, this must be agreed by yourself (employer) the apprentice and their provider.
- E314.1** You must update both the apprenticeship agreement and the commitment statement to reflect this agreement.
- E315** Where an apprentice changes version, you must make sure that the training and assessment they receive across the whole apprenticeship delivers occupational competence in all aspects of the new standard version and enables them to pass the end-point assessment
- E316** Apprentices must not move back to a previous version of the same standard once they have moved to a new version.

- E317** Apprentices who are returning from a break in learning may return to the version of the standard they were on before their break in learning, even where it has been closed to new starts.
- E318** If no end point assessment organisation will be approved and available to deliver end-point assessment for the new version by the time the apprentice requires it, the apprentice must not transfer to the new version.
- E319** Where the apprentice is funded through the apprenticeship service, you must use the Standards versioning functionality to assign the apprentice on to the new version. This functionality will be available from September 2021.
- E320** You must make sure that the combined duration of the apprentice's time on the legacy version and the new version meets the apprenticeship minimum duration requirements.
- E321** Where an existing apprentice moves versions, they will continue the same funding band that they started on.
- E322** You may choose to re-negotiate the price for the new version with the provider or the end-point assessment organisation. If the overall price you negotiate is more than the maximum allowed by the funding band for the standard that the apprentice started on, then you must pay in full the difference between the band maximum for the original standard and the total negotiated price.

## **Summary of action following a change of circumstance**

### **Actions to take where there is a break in learning where the apprentice requires a break in their apprenticeship due to illness, parental leave, or other personal reasons.**

- E323** The employer must:
  - E323.1** notify the main provider that the apprentice will be absent for a period of time

You may also:

- E323.2** pause payments through your apprenticeship service account;
  - E323.3** review or update the duration of the break as necessary;
  - E323.4** un-pause the record in your apprenticeship service account when the apprentice returns to learning; and
  - E323.5** extend the practical period of the apprenticeship agreement as required.
- E324** The main provider must:
    - E324.1** record the break and restart dates in the ILR; and
    - E324.2** re-plan the delivery and agree a revised price, if required, with the employer when the apprentice resumes learning. This must be entered on the ILR. If a different price had been entered previously on the



employer's apprenticeship service account, the revised price must also be entered here, on or before the new start date.

### **Effect on funding**

Funding from an employer's apprenticeship service account or government-employer co-investment stops until apprentice resumes their apprenticeship. Funding is capped across both periods of learning so that overall earnings do not exceed the funding band maximum. Funding will recommence based on the new start date in the ILR. All additional payments stop until apprentice resumes their apprenticeship. Any additional payments already made are retained.

### **Actions to take where an apprentice is using KIT / SPLIT days to continue off-the-job training during a period of maternity / adoption / shared parental leave**

- E325** The employer must notify the main provider that the apprentice will be going on maternity / adoption / shared parental leave but will be using KIT / SPLIT days to continue off-the-job training. The employer must:
- E325.1** Discuss and agree the agreement (see paragraph E307) with the provider and apprentice, including when KIT / SPLIT days will be used against when a break in learning will be used;
  - E325.2** When appropriate, pause payments through their apprenticeship service account;
  - E325.3** When appropriate, un-pause the apprenticeship in their apprenticeship service account; and
  - E325.4** Extend the practical period of the apprenticeship agreement as required.
- E326** The main provider must:
- E326.1** Discuss and agree the agreement (see paragraph E307) with the employer and apprentice, including when KIT / SPLIT days will be used against when a break in learning will be used
  - E326.2** When appropriate, record the break and restart dates in the ILR.
  - E326.3** When appropriate, re-plan the delivery and agree a revised price (if required) with the employer when the apprentice resumes learning. This must be entered on the ILR. If a different price had been entered previously on the employer's apprenticeship service account, the revised price must also be entered here, on or before the new start date.
  - E326.4** Update the apprenticeship documentation with any extended dates (commitment statement, contract for services). Work with the employer to extend the apprenticeship agreement.

### **Effect on funding**

Funding from an employer's apprenticeship service account or government-employer co-investment stops during a break in learning. Funding is capped across periods of learning so that the overall earnings do not exceed the funding band maximum. Funding

and additional payments recommence when the apprentice resumes their apprenticeship. Any additional payments already made are retained.

### **Actions to take when there is a change to the working hours of the apprentice during the programme (e.g. an increase or a decrease to original working hours)**

- E327** If there is a change of circumstance during the programme, in relation to the working hours of the apprentice, you must discuss and agree, with the provider and apprentice, if this change has a material impact on the current training plan.
- E328** The provider must document this discussion, which must include:
- E328.1** Whether the apprentice can continue to study for the same volume of off-the-job training hours per week;
  - E328.2** Whether off-the-job training can still be delivered within the new working hours of the apprentice and
  - E328.3** Whether the ability of the apprentice to undertake end-point assessment is impacted.
  - E328.4** Whether the programme is being changed as a result of this discussion.
- E329** Where all parties agree that there is no material impact on the current training plan, the main provider:
- E329.1** Must not amend the apprenticeship documentation (apprenticeship agreement, commitment statement, contract for services)
  - E329.2** Must not amend the ILR
- E330** Where all parties agree that there is a material impact on the current training plan, the main provider:
- E330.1** Must agree with the employer and apprentice how the change impacts on the duration.
    - E330.1.1** If moving from full-time to part-time, please see paragraph E28;
    - E330.1.2** If moving from part-time to full-time, the programme must still meet the minimum duration and off-the-job training requirements.
  - E330.2** Must work with the employer to extend the apprenticeship agreement.
  - E330.3** Must amend the apprenticeship documentation (commitment statement, contract for services) to outline the new expected end date.
    - E330.3.1** The off-the-job training hours that were agreed at the beginning of the programme do not change (unless, as part of the discussion, it is also agreed that additional training is appropriate because of the change of circumstance).

**E330.4** Must not amend the ILR (the planned learning end date on the ILR does not change once it is submitted (with the exception of a data input error at the beginning of the programme)).

**E330.4.1** Note that there are no changes required to the apprenticeship service.

**Effect on funding**

Funding and additional payments remain unchanged.

**Actions to take when there is a change in price where the employer negotiates a revised training or assessment cost, or assessment cost is added after the start of the programme.**

**E331** Both the employer and main provider must:

**E331.1** Agree a new price.

**E331.2** Confirm the new price on the apprenticeship service. If funded by a transfer, both the sending and receiving employers will need to agree the new apprenticeship in the apprenticeship service.

**E331.3** Revise agreements and / or the commitment statement as required.

**E332** The main provider must update the price on the ILR.

**Effect on funding**

After applying the funding band limit, we will hold 20% of the new total price back as the completion payment and deduct any funding already received. The remainder will be spread equally over the remaining planned duration. Additional payments are unaffected.

**Actions to take where the apprentice withdraws from the apprenticeship, where the apprentice is no longer employed by the employer and has withdrawn from their programme (not redundancy) OR the apprentice chooses to withdraw prior to completion but remains with the same employer.**

**E333** The employer must:

**E333.1** notify the main provider that the apprentice has left; and

**E333.2** stop payments through their apprenticeship service account. This includes where the apprenticeship is funded by a transfer. The stop date that you apply in your account must correspond with the date the apprentice withdrew from the apprenticeship.

**Effect on funding**

Funding from an employer's apprenticeship service account or government-employer co-investment stops. The employer co-investment must be reconciled to the date of withdrawal and a balancing payment may be made by us. All additional payments stop

until the apprentice resumes their apprenticeship. Any additional payments already made are retained.

**Action to take where the apprentice starts a new role with the same employer and requires a different apprenticeship programme and the main provider remains the same.**

**E334** Both the employer and main provider must:

- E334.1** agree a new price for training and assessment for the new apprenticeship, taking into account relevant learning from the first apprenticeship. If funded by a transfer, both the sending and receiving employers will need to agree the new apprenticeship in the apprenticeship service; and
- E334.2** enter the details of the new programme, price and effective date on the apprenticeship service.
- E334.3** If funded via reserved funds you must contact the [apprenticeship service support desk](#).

**Effect on funding**

Funding from an employer's apprenticeship service account or government-employer co-investment stops. Any employer co-investment must be reconciled to the date of withdrawal and a balancing payment may be made by us. Funding from an employer's apprenticeship service account or government co-investment for the second programme is made for the new programme. Each programme price is capped separately. Additional payments are received once for each apprenticeship.

The co-investment rate for the apprenticeship will be at the rate in force at the time it starts.

**Action to take where the employer selects a different main provider where the apprenticeship remains the same.**

**E335** Both the employer and new main provider must:

- E335.1** negotiate a new price, as set out in these funding rules. If funded by a transfer, both the sending and receiving employers will need to agree the new apprenticeship in the apprenticeship service; and
- E335.2** update the apprenticeship service with the new price, new main provider and effective date.
- E335.3** If funded via reserved funds you must contact the apprenticeship service support desk.

**Effect on funding**

Funding from an employer's apprenticeship service account or government-employer co-investment to the first main provider stops. Payments due to the first main provider are reconciled. Funding from an employer's apprenticeship service account or government co-investment for the second programme is made to the new main

provider. The funding band cap and minimum duration will apply to the total cost across both main providers.

The co-investment rate for the apprenticeship will remain at the rate in force at the time it started.

The employer continues to receive additional payments. The original main provider retains any additional payments already made. Any remaining main provider additional payments not paid to the original main provider can be paid to the new main provider.

The number of days in learning with the first main provider are added to the days in learning with the new main provider to calculate when payments are due.

## **Action to take where the apprentice changes employer but continues the same apprenticeship with the same main provider**

### **Where there is no break in employment, or a break of 30 days or less**

**E336** The original employer must stop payments through their apprenticeship service account, using a stop date that corresponds with the date the apprentice changed employer. This includes where the apprenticeship is funded by a transfer. They can also stop co-investment, as appropriate.

**E337** The new employer and main provider must:

**E337.1** agree a price for the remainder of the apprenticeship training and assessment taking into account relevant learning from the first employer. This price must be recorded in the ILR as a 'residual' price;

**E337.2** register the apprentice on the apprenticeship service, if appropriate, for funding to start;

**E337.3** confirm arrangements for, and start paying, co-investment if appropriate; and

**E337.4** contact us if they are unable to register the apprentice on the apprenticeship service.

**E337.5** if the apprenticeship is now being funded by a transfer, or continuing to be funded by a transfer, then the receiving (new) employer will need to register on the apprenticeship service and the transfer will need to be agreed by the sending employer. For more information on how transfers work, please refer to the '[Apprenticeships funded by transfer of levy funds](#)' section.

**E337.6** If funded via reserved funds you must contact the [apprenticeship service support desk](#).

**E338** The main provider must not draw down funds in an employer's apprenticeship service account or government co-investment for delivery which the ESFA has already paid for with the first employer.

## **Where there is a break in employment of more than 30 days**

**E339** The original employer must stop payments through their apprenticeship service account, using a stop date that corresponds with the date the apprentice changed employer. This includes where the apprenticeship is funded by a transfer. They can also stop co-investment, as appropriate.

**E340** The main provider must:

**E340.1** record the learning end date of the apprenticeship on the ILR and withdraw the apprentice from the programme;

**E340.2** ensure that a change of employer is declared on the apprenticeship service against the existing record to ensure that the same course is carried over to the new record one the apprentice restarts with their new employer.

**E341** The new employer and main provider must:

**E341.1** agree a price for the remainder of the apprenticeship training and assessment taking into account relevant learning from the first employer. This price must be recorded in the ILR as a 'residual' price;

**E341.2** using the restart indicator in the ILR;

**E341.3** register the apprentice on the apprenticeship service, if appropriate, for funding to start;

**E341.4** confirm arrangements for, and start paying, co-investment if appropriate; and

**E341.5** contact us if they are unable to register the apprentice on the apprenticeship service.

**E341.6** if the apprenticeship is now being funded by a transfer, or continuing to be funded by a transfer, then the receiving (new) employer will need to register on the apprenticeship service and the transfer will need to be agreed by the sending employer. For more information on how transfers work, please refer to the '[Apprenticeships funded by transfer of levy funds](#)' section within the Employer or Employer-Provider Funding Rules (whichever is relevant).

**E341.7** If funded via reserved funds you must contact the [apprenticeship service support desk](#).

### **Effect on funding**

Funding from the first employer's apprenticeship service account stops. Any employer co-investment due from the first employer must be reconciled. Funding continues based on agreement with the new employer using the funds in their apprenticeship service accounts, transfer of levy funds or government co-investment. The funding band cap will apply to the total cost across both employers.

Additional payments stop for the first employer, but they retain any payments already made.

The number of days in learning with the first employer are added to the days in learning with the new employer to calculate when payments are due.

Main provider additional payments remain unchanged. The small employer co-investment waiver will stop if the second employer is not eligible.

**Where the apprentice is made redundant on or after 15 October and, on the day of dismissal, is within six months of the final day of the apprenticeship practical period OR they have completed at least 75% of the practical period.**

**E342** The employer must stop payments from their apprenticeship service account, including where the apprenticeship is funded by a transfer. The stop date that you apply in your account must correspond with the date the apprentice is made redundant.

**E343** The main provider must:

**E343.1** support the apprentice to find a new job;

**E343.2** retain evidence of when the apprentice was made redundant, and report the change in employment status to us; and

**E343.3** refer to the scenario within the [Apprenticeship Funding Rules for Providers](#) for action to take with the new employer, where a new employer is found.

### **Effect on funding**

Funding from the first employer's apprenticeship service account stops. Any employer co-investment due from the first employer must be reconciled to the date of the apprenticeship agreement is terminated by reason of redundancy and any differences in employer co-investment received to those due must be repaid to the employer or main provider.

The apprentice is funded through 100% government co-investment until completion. Employer additional payments stop. Main provider additional payments remain unchanged.

**Where the apprentice is made redundant on or after 15 October 2020 and, on the day of dismissal, has completed less than 75% of the apprenticeship practical period and the remaining training represents a training duration of six months or more**

**E344** The employer must stop payments from their apprenticeship service account, using a stop date that corresponds with the date the apprentice is made redundant. This includes where the apprenticeship is funded by a transfer.

**E345** The main provider must:

**E345.1** support the apprentice to find a new job (within 12 weeks);

**E345.2** retain evidence of when the apprentice was made redundant, and report the change in employment status to us

- E345.3** where the apprentice is withdrawn, record the withdrawal reason as redundancy and issue the apprentice with a 'record of apprenticeship part-completion'
- E345.4** refer to the scenario within the Apprenticeship Funding Rules for Providers for action to take with the new employer.

**Effect on funding**

Funding from the first employer's apprenticeship service account stops. Any employer co-investment due from the first employer must be reconciled to the date of the apprenticeship agreement is terminated by reason of redundancy and any differences in employer co-investment received to those due must be repaid to the employer or main provider.

The apprentice is funded through 100% government co-investment for up to 12 weeks. Employer additional payments stop. Main provider additional payments remain unchanged.



## Annex A: Eligibility criteria (who we fund)

### New for 1 August 2021

**E347** - Update: Changes to ordinary residence criteria for UK nationals

**E348** - Update: Changes to ordinary residence criteria for citizens with the Right of Abode

**E349** - New Rule: A new residency category has been added for UK nationals who have been living in the EEA

**E350 to E351** - New Rule: A new residency category has been added for EEA nationals in the UK (this replaces the EEA citizens section)

**E352** - New Rule: A new residency category has been added for Non-UK nationals (this replaces the Non-EEA citizens section)

**E353 to E354** - New Rule: A new residency category has been added for family members of UK and EEA nationals (this replaces the family members of EEA nationals section)

**E356.10** - New Rule: A new residency category which is exempt from the three-year residency rule has been added

**E357 to E358** - New Rule: New rules have been added to explain which family members of nationals with Calais Leave to remain under section 67 can be eligible for funding.

**E362** - Update: Updates to the Child of a Turkish Worker section to reflect end date of agreement.

**E372 to E375** - Update: Updates to the list of British Overseas Territories and EEA Countries we use for establishing eligibility.

### New for May 2022

**E356.7 to E356.9** - New Rule: New rules have been added to reflect that Ukrainians and their family members supported through the Ukraine Family Scheme, Ukraine Sponsorship Scheme and Ukraine Extension Scheme are immediately eligible for apprenticeship funding and are exempt from the 3-year residency requirement rule.

**E346** To use funds in the employer's apprenticeship service account or government-employer co-investment, the individual must have a valid and eligible residency status.

## UK nationals

**E347** UK nationals are eligible for funding if they:

**E347.1** have been ordinarily resident in the UK, the [British Overseas Territories](#), or Crown Dependencies (Channel Islands and Isle of Man) for at least the previous three years before the start of the apprenticeship.

## Right of abode in the UK

**E348** The right of abode is a status under United Kingdom immigration law that gives an unrestricted right to live in the United Kingdom. It was introduced by the Immigration Act 1971. Individuals with the right of abode are eligible for funding if they:

**E348.1** have been ordinarily resident in the UK, the [British Overseas Territories](#), or Crown Dependencies (Channel Islands and Isle of Man) for at least the previous three years before the start of the apprenticeship.

## UK nationals in the EEA

**E349** In line with the [government guidance](#), UK nationals who have been living in the EEA prior to their apprenticeships are eligible for funding if they:

**E349.1** have been ordinarily resident in the EEA for at least the previous three years before the start of the apprenticeship; or

**E349.2** have been ordinarily resident in a combination of the UK and EEA for at least the previous three years before the start of the apprenticeship.

## EEA nationals in the UK

**E350** Irish nationals are eligible for funding if they:

**E350.1** have been ordinarily resident in the UK, Ireland, or the EEA for at least the previous three years before the start of the apprenticeship.

**E351** All other EEA nationals are eligible for funding if they:

**E351.1** have obtained either pre-settled or settled status under the EU Settlement Scheme; and

**E351.2** have been ordinarily in the EEA, Gibraltar, or the UK for at least the previous three years before the start of the apprenticeship.

## Non-UK nationals

**E352** A non-UK national (with exception to those that fall into the categories above) is eligible for funding if they have 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 the apprenticeship.

## Family members of UK and EEA nationals

**E353** Family members of UK nationals are eligible for funding if:

**E353.1** They (the family member) have been ordinarily resident in the UK or EEA for at least the previous three years before the start of the apprenticeship.

**E354** Family members of EEA nationals who have obtained pre-settled or settled status under the EU Settlement Scheme are eligible for funding if:

**E354.1** They (the family member) have been ordinarily resident in the UK or EEA for at least the previous three years before the start of the apprenticeship.

**E355** A 'family member' is the husband, wife, civil partner, child, grandchild, dependent parent or grandparent of a UK or EEA national.

## **Individuals with certain types of immigration status and their family members**

**E356** Any individual with any of the statuses listed below, is eligible to receive funding and is exempt from the three-year residency requirement rule. You must have seen the individual's immigration permission in these circumstances:

**E356.1** refugee status;

**E356.2** discretionary leave to enter or remain;

**E356.3** exceptional leave to enter or remain;

**E356.4** indefinite leave to enter or remain;

**E356.5** humanitarian protection;

**E356.6** leave outside the rules;

**E356.7** Ukraine Family Scheme

**E356.8** Ukraine Sponsorship Scheme (Homes for Ukraine)

**E356.9** Ukraine Extension Scheme

**E356.10** Afghan locally engaged staff under the intimidation policy;

**E356.11** the husband, wife, civil partner and child of any of the above in this paragraph (that is paragraphs E356.1 to E356.10);

**E356.12** section 67 of the Immigration Act 2016 leave; or

**E356.13** Calais leave to remain.

**E357** A child of a person who has received leave under section 67 of the Immigration Act 2016 will be eligible in line with rule E356.12 where they have been granted "leave in line" by virtue of being a dependent child of such a person.

**E358** A child of a person who has received Calais leave to remain will be eligible in line with rule E356.13 where they have been granted "leave in line" by virtue of being a dependent child of such a person.

**E359** 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.

## Asylum seekers

**E360** Asylum seekers are eligible to receive funding if they:

- E360.1** 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
- E360.2** 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.

**E361** An individual who has been refused asylum will be eligible if they:

- E361.1** 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
- E361.2** are granted support for themselves under section 4 of the Immigration and Asylum Act 1999; or
- E361.3** 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.

## Children of Turkish workers

**E362** A child of a Turkish worker is eligible if:

- E362.1** the Turkish worker was ordinarily resident in the UK on or before 31 December 2020 and has Turkish European Community Association Agreement (ECAA) rights or extended ECAA leave;
- E362.2** the Turkish worker is, or has been, lawfully employed in the UK; and
- E362.3** the child has been ordinarily resident in the EEA and / or Turkey for the full three-year period before the start of their programme and is resident in the UK on or before 31 December 2020.

## Persons granted stateless leave

**E363** A person granted stateless leave is a person who has:

- E363.1** Extant leave to remain as a stateless person under the immigration rules (within the meaning given in section 33(1) of the Immigration Act 1971).
- E363.2** Been ordinarily resident in the UK and Islands throughout the period since the person was granted such leave. The UK and Islands are England, Scotland, Wales, Northern Ireland, the Channel Islands and the Isle of Man.

**E364** A stateless person must:

- E364.1** be ordinarily resident in the UK on the first day of the apprenticeship; and

**E364.2** have been ordinarily resident in the UK and Islands throughout the three-year period preceding the first day of the apprenticeship.

**E365** Certain family members are also eligible under this category:

**E365.1** the spouse or civil partner of a person granted stateless leave (and who was the spouse or civil partner of that person on the leave application date), who is ordinarily resident in the UK on the first day of the apprenticeship, and who has been ordinarily resident in the UK and Islands throughout the three-year period preceding the first day of the apprenticeship; or

**E365.2** the child of a stateless person or of the stateless person's spouse or civil partner (and who was the child of that stateless person or the child of the stateless person's spouse or civil partner on the leave application date), was under 18 on the leave application date, is ordinarily resident in the UK on the first day of the apprenticeship and has been ordinarily resident in the UK and Islands throughout the three-year period preceding the first day of the apprenticeship.

**E366** 'Leave application date' means the date on which a persons granted stateless leave made an application to remain in the UK as a stateless person under the immigration rules (within the meaning given in section 33(1) of the Immigration Act 1971).

## **Immigration status**

**E367** Any individual, or relevant family member, who has applied for an extension or variation of their current immigration permission in the UK is still treated as if they have that leave. Keeping this permission applies as long as the application was made before their current permission expired. Their leave continues until the Home Office make a decision on their immigration application.

**E368** An individual, or relevant family member, is considered to still have the immigration permission that they held when they made their application for an extension. Their eligibility would be based upon this status.

## **Those in the armed forces or outside of England**

**E369** As an exception, we will also allow the following individuals to be funded from an employer's apprenticeship service account or using government-employer co-investment:

**E369.1** Armed forces and Royal Fleet Auxiliary personnel and their family members to undertake a statutory English apprenticeship wherever they are based.

**E369.2** Individuals of other nationalities serving as members of the British armed forces throughout their period of service, and their dependants living with them on their postings, in the same way as members of the British armed forces and their family members. This does not apply to family members who do not join members of the armed forces and instead stay outside of England.

**E369.3** 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.

**E369.4** Apprentices whose occupation involves significant travel outside of the UK as part of their job (such as in travel or tourism) or work offshore (such as on an oil platform) and they have an identified registered work location in England. You must not claim for the additional expense of delivering learning outside of England.

## Further information for 16 to 18-year-olds

**E370** 16 to 18-year-olds are eligible to be funded for an apprenticeship if any of the following clauses apply:

**E370.1** they are accompanying or joining parents who have the right of abode, leave to enter or leave to remain in the UK;

**E370.2** they are the children of diplomats;

**E370.3** they are the children of teachers coming to the UK on a teacher exchange scheme;

**E370.4** they are entering the UK (where not accompanied by their parents) and are British citizens;

**E370.5** 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;

**E370.6** they are an asylum seeker;

**E370.7** they are placed in the care of the local authority; or

**E370.8** they meet the requirements for any other eligible category in this document.

**E371** 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

**E372** Individuals who are nationals of certain British Overseas Territories are eligible for funding, ensuring they comply with the three-year rule on residence in the UK. These are as follows:

- Anguilla
- Bermuda
- British Antarctic Territory
- British Indian Ocean Territory
- British Virgin Islands
- Cayman Islands

- Falkland Islands
- Henderson Island
- Gibraltar
- Montserrat
- Pitcairn, Ducie and Oeno Islands
- South Georgia and the South Sandwich Isles
- St Helena and its dependencies
- Turks and Caicos Islands

**E373** For funding eligibility purposes, EEA and eligible overseas dependent territories are defined as all member states of the EU and Iceland, Liechtenstein, Switzerland, Norway and all the eligible British Overseas Territories and EU overseas territories. You can access a list of European Union (EU) member states on the [EU website](#).

**E374** 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.

**E375** The table below lists territories that are categorised as being within the EU and or territories that are categorised as being part of the listed countries such that they satisfy our residency requirements for the purposes of the funding rules.

Denmark	The following is part of Denmark: <ul style="list-style-type: none"> <li>• Greenland</li> <li>• Faroe Islands</li> </ul>
Finland	The following is part of Finland and the EU: <ul style="list-style-type: none"> <li>• Aland islands</li> </ul>
France	The following is part of France and the EU: <ul style="list-style-type: none"> <li>• the French Overseas Department (DOMS) (Guadeloupe, Martinique, French Guiana (Guyana), Reunion and Saint-Pierre et Miquelon)</li> </ul> <p>The following is not part of the EU but is part of France:</p> <ul style="list-style-type: none"> <li>• New Caledonia and its dependencies</li> <li>• French Polynesia</li> <li>• Saint Barthélemy</li> </ul>
Germany	The following is part of Germany and the EU: <ul style="list-style-type: none"> <li>• Tax-free port of Heligoland</li> </ul>
Netherlands	The following is part of the Netherlands: <ul style="list-style-type: none"> <li>• Antilles (Bonaire, Curacao, Saba, St Eustatius and St Maarten)</li> <li>• Aruba</li> </ul>
Portugal	The following is part of Portugal and the EU: <ul style="list-style-type: none"> <li>• Madeira</li> <li>• The Azores</li> </ul>

Spain

The following is part of Spain and the EU:

- the Balearic Islands,
- the Canary Islands,
- Ceuta
- Melilla

To note: Andorra, Macau, Monaco, San Marino and the Vatican are not part of the EU or the EEA.



# Glossary

## New for 1 August 2021

### Updated definitions:

- Break in learning
- Practical period
- Subcontracting
- Subcontractor

## 0-9

### **£1000 additional payment**

See '16 to 18 payment'

### **5% co-investment**

See 'Co-investment'

### **5% contribution**

See 'Co-investment'

### **10% co-investment**

See 'Co-investment'

### **10% contribution**

See 'Co-investment'

### **16 to 18 payment**

The £1000 payment employers and providers receive for taking on an apprentice aged 16 to 18.

See also 'Additional payments'

### **20% completion payment**

See 'Completion payment'

### **20% off-the-job**

See 'Off-the-job (OTJ) training'

### **20% rule**

See 'Completion payment' or 'Off-the-job (OTJ) training'

## **30 hours**

See 'Minimum duration'

## **90% contribution**

See 'Co-investment'

## **95% contribution**

See 'Co-investment'

## **A**

### **Account**

See 'Apprenticeship service account'

### **Additional learning needs**

See 'Identified needs'

### **Additional learning support (ALS)**

See 'Learning support'

### **Additional payments**

Extra funding to help with any additional costs of training specific groups of apprentices. The different types of additional payments are the 16 to 18 payment, the eligible 19 to 24 payment, learning support and the care leaver's bursary.

### **Additional qualifications**

See 'Non-mandatory qualifications'

### **Advanced learner loan**

Loans for individuals aged 19+ to provide financial support towards tuition costs. These loans are paid directly to the college or training organisation.

### **Annual leave**

Paid time off work that employees are entitled to. For full time apprentices, this is at least 28 days per year (statutory leave entitlement). It is not a break in learning.

### **Apprentice**

An individual who is doing an apprenticeship and engaged under an apprenticeship agreement (or alternative arrangement). Apprentices are employed. They work alongside experienced staff, gain job-specific skills, earn a wage, get holiday pay and time for study related to their role.

### **Apprentice employment contract**

See 'Contract of service'

## **Apprentice rate**

This is the minimum hourly rate apprentices are entitled to if they are either:

- aged under 19
- 19 and over and in their first year of an apprenticeship

We encourage employers to pay more than the apprentice rate. View the National Minimum Wage rates.

## **Apprenticeship**

A job with training. This includes the training and (where required) end-point assessment for an employee. The full definitions of an approved English apprenticeship (standards) can be found in Part 1 of the Apprenticeships, Skills, Children and Learning Act 2009.

## **Apprenticeship agreement**

An apprenticeship agreement is between an employer and an apprentice, either in accordance with the Apprenticeships, Skills, Children and Learning Act 2009 section A1 (for standards – an approved English apprenticeship agreement).

## **Apprenticeship certificate**

A certificate used to provide formal recognition that an individual has achieved their apprenticeship and is therefore certified.

## **Apprenticeship funding rules**

View all apprenticeship funding rules.

## **Apprenticeship journal**

See 'Evidence pack'

## **Apprenticeship levy**

A levy on UK employers to raise funds to pay for apprenticeship training and assessment. It is charged at 0.5% of an employer's pay bill, but each employer receives an allowance of £15,000 to offset against their levy payment. Because of the allowance, only employers with an annual pay bill greater than £3m have to pay the levy. Levy payments are made monthly to HMRC.

## **Apprenticeship minimum wage**

See 'National Minimum Wage'

## **Apprenticeship service account**

The area on the apprenticeship service where employers can manage their funding and apprentices, view their account balance and plan their spending.

See also 'The apprenticeship service'

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

An organisation that recruits and employs apprentices on behalf of employers.

### **Assessment**

See 'End-point assessment' or 'On-programme assessment'

## **B**

### **Block release**

A concentrated period of time where the apprentice is training or studying at a place other than work as part of their apprenticeship.

### **Break in learning**

When an individual takes a break of at least 4 weeks from their apprenticeship but plans to return to it in the future. This could be linked to a break from work (e.g. illness, maternity leave or parental leave) or the apprentice could still be working but has agreed with their employer and provider to take a break in their learning.

See also 'Change of circumstances'

## **C**

### **Care certificate**

15 minimum standards that apprentices must achieve for specific job roles in the health and social care sector. We treat this as a Licence to practise.

### **Care leaver**

An individual aged 16 to 24 who was (or still is) in the care of their Local Authority.

### **Care leaver bursary**

An additional £1000 payment that ESFA pay care leavers. This is paid via the apprentice's training provider.

See also 'Additional payments'

### **Certificates**

Issued by awarding bodies to demonstrate an individual's qualifications, for example Level 2 English and maths. During audits, we may check certificates for proof of prior learning.

See also 'Prior learning'

### **Changes from the previous document**

We tell you about new rules and any rules that have changed or been removed in the:

- summary of changes document
- relevant section of the funding rules

## **Change of circumstance**

Changes in an apprentice's personal or employment circumstances, or to their apprenticeship. There are different actions to take and effects on funding depending on the type of change.

## **Co-investment**

Sharing the cost of training and assessing apprentices with the government. The following types of employers will pay co-investment:

- non-levy payers
- levy payers who have run out of levy funds

For apprenticeships that started before 1 April 2019, employers pay 10% towards the cost of apprenticeship training. The government will pay the rest (90%).

For apprenticeships that started on or after 1 April 2019, employers pay 5% towards the cost of apprenticeship training. The government will pay the rest (95%).

## **Commitment**

An internal term we use to describe an employer entering information in their apprenticeship service account.

## **Commitment statement**

A statement held by the main provider, the apprentice and their employer. The commitment statement sets out how the apprentice will be supported to successful achievement of the apprenticeship. It must be signed by the apprentice, their employer and the main provider, and all three parties must retain a current signed and dated version.

## **Complete early**

When an apprentice completes all their training and assessment (including end point assessment) before the planned end date recorded by the provider on the ILR. If the apprenticeship has met the minimum 12-month duration, we will pay any outstanding amounts once we have been notified of completion. View the Technical Funding Guide for details about how payments are made.

## **Completion payment**

A payment we make to providers when an apprentice completes all their learning. This means taking the end-point assessment (the apprentice does not need to pass). This payment is 20% of either the total negotiated price or the funding band maximum, whichever is lower.

## **Contract for services**

A contract between a contractor and a client.

## **Contract of service**

A contract between an employee and employer.

## **Contribution**

See 'Co-investment' or 'Funding band'

## **D**

### **DAS**

See 'The apprenticeship service'

### **Degree apprenticeship**

An apprenticeship that is done at level 6 or 7 and equivalent to a bachelor's or master's degree. Apprentices spend part of their time at university and the rest with their employer.

### **Delivery subcontractor**

An organisation contracted through a main provider or employer-provider to deliver on-programme assessments, English and maths or off-the-job training to apprentices. This does not include end-point assessment organisations. It also excludes subcontractors you use for different services, including help with marketing or data management, as well as those who deliver training to an apprentice that is in addition to the apprenticeship and not funded through this route.

### **Digital account**

See 'Apprenticeship service account'

### **Disability**

See 'Learning difficulty or disability (LDD)'

### **Dismissal**

When an employee's contract of employment is terminated.

### **Distance learning**

Learning that is delivered remotely rather than face-to-face. For example, e-learning and webinars.

### **Double funding**

See 'Individuals who are not eligible for funding'

## **E**

### **Earnings adjustment statement (EAS)**

The earnings adjustment statement is how main providers claim funding that cannot be claimed through the individualised learner record.

### **Education, health and care (EHC) plan**

An education, health and care (EHC) plan is for children and young people aged up to 25 who need more support than is available through special educational needs support.

EHC plans identify educational, health and social needs and set out the additional support to meet those needs.

## **Eligibility**

The criteria an individual must meet to be able to do an apprenticeship and get apprenticeship funding. For example, their age, right to work in England, amount of prior learning and the duration of training needed.

There are also criteria that an apprenticeship training programme must meet.

## **Eligible costs**

Costs that directly relate to the delivery of training and on-programme assessment. Eligible costs make up the total negotiated price, which is paid for using funds from either:

- an employer's apprenticeship service account
- government-employer co-investment

## **Employee**

An individual who has a contract of service. This does not include individuals who are self-employed.

## **Employer**

An organisation that has a contract of service and an apprenticeship agreement with an apprentice. This can include an apprenticeship training agency (ATA). This may also include a company or charity whose PAYE scheme the employer has connected to their apprenticeship service account. References to an 'employer' describe the whole organisation, not individual sites, locations, groups or companies linked by directors.

## **Employer agreement**

A legally binding agreement between an employer and the Education and Skills Funding Agency (ESFA). Employers must accept this agreement to get or reserve apprenticeship funding.

## **Employer-provider**

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 their apprenticeship service account or government-employer co-investment. The employer-provider will have overall responsibility for the training and on-programme assessment conducted by themselves, their delivery subcontractors and will have a contractual relationship for the end-point assessment conducted by an end-point assessment organisation. The payment for the end-point assessment is through the employer-provider.

## **End-point assessment (EPA)**

An assessment that takes place at the end of an apprenticeship, to make sure apprentices have reached the necessary level to be awarded an apprenticeship.

## **End-point assessment organisation (EPAO)**

An independent organisation that employers can contract to carry out apprenticeship end-point assessments.

## **English and maths**

Two separate qualifications that apprentices require to achieve an apprenticeship. There are different types of English and maths qualifications. For example, functional skills, GCSEs and entry-level.

### **Entry-level**

See 'English and maths'

### **Evidence pack**

A collection of documents and information about an apprentice and their apprenticeship. It provides evidence that the apprentice exists, is eligible for funding and that the apprenticeship is being delivered in line with the funding rules.

### **Exceptional learning support (ELS)**

An additional payment that providers can claim if the cost of supporting an apprentice's learning is £19,000 or more in a funding year.

See also 'Learning support'

## **F**

### **Functional skills**

A type of English and maths qualification.

See also 'English and maths'

### **Funding agreement**

Throughout this document the term 'funding agreement' is used to include:

- the apprenticeship levy provider funding agreement;
- the contract for services between the employer and main provider;
- the contract for services – apprenticeships (between the ESFA and main providers delivering apprenticeships to non-levy-paying employers).

### **Funding band**

The financial range that the government will contribute towards the cost of delivering training and assessment for an apprenticeship standard. The range is between £0 and a defined funding band maximum. The maximum ranges from £1,500 to £27,000 and is the most that the government will contribute, including amounts that can be taken from a levy-paying employer's apprenticeship service account. Currently, there are 30 funding bands. They do not include costs for English and maths or additional payments for young people.

### **Funding rules**



See 'Apprenticeship funding rules'

## **G**

### **Gateway requirements**

These are requirements set out in the assessment plan that must be met by the apprentice prior to undertaking end-point assessment of the apprenticeship standard. They will include the completion of English and maths qualifications (where applicable) and any on-programme mandatory qualifications (where applicable) along with satisfactory evidence (as determined by the employer, in consultation with the main provider) that the apprentice has achieved the necessary knowledge, skills and behaviours set out in the standard.

### **GCSE**

See 'English and maths' or 'Prior learning'

### **Government-employer co-investment**

Government-employer co-investment is funding that is not paid for from an employer's apprenticeship service account (because the employer does not pay the levy or has insufficient levy funds in their apprenticeship service account). Employers will need to make a mandatory co-investment with the government.

## **H**

### **Higher apprenticeships**

An apprenticeship where the main learning is at level 4 or above. This is equivalent to a certificate of higher education or above.

### **Holiday**

See 'Annual leave'

## **I**

### **ICT**

See 'Functional skills'

### **Identified needs**

Learning needs that have been identified as part of a need's assessment, which may be eligible for learning support.

See also 'Learning support'

### **Illness**

See 'Break in learning'

### **Immigration permission**

The permissions, or otherwise, granted by the government of the United Kingdom for an individual to reside here. Learners need immigration permission to study in the UK.

### **Incentive payment**

See 'Completion payment'

### **Individualised learner record (ILR)**

The primary data collection requested from training providers for further education and work-based learning in England. The data is used widely, most notably by the government, to monitor policy implementation and the performance of the sector. It is also used by organisations that allocate funding for further education.

### **Individual learning plan (ILP)**

See 'Commitment statement'

### **Inducement**

Something that persuades or influences someone to do something. For example, if a provider offered extra training (not required for the apprenticeship) to an employer and included this in the total negotiated price. This is not allowed.

### **Ineligible costs**

Costs that must not be included in the total negotiated price. For example, travel costs and wages.

### **Initial assessment**

The process of identifying an individual's learning and support needs to enable the design of an individual learning plan (commitment statement). It determines the learner's starting point for their learning programme.

### **Integrated standard**

An integrated standard is where the end-point assessment is incorporated into the main learning aim (usually a degree or other full higher education qualification). In these cases, there is no need for an additional independent assessment.

## **K**

### **Knowledge, skills and behaviours (KSBs)**

These are set out in all apprenticeship standards; apprentices are required to learn them to be occupationally competent. KSBs are taught in off-the-job training and tested in the end-point assessment.

## **L**

### **Learning difficulty or disability (LDD)**

An apprentice having a learning difficulty or disability may form part of a need's assessment, and if it directly impacts on their learning, could be eligible for learning support.

See also 'Learning support'

### **Learning gap**

Where an apprentice has a gap in their learning or knowledge due to not having obtained certain skills or behaviours.

### **Learning support**

Financial support that providers can claim to help with the cost of any reasonable adjustments directly related to an apprenticeship. Currently a fixed monthly amount of £150. Any extra cost can be claimed through the Earnings Adjustment Statement (EAS). Learning support must only be used to support apprentices who have been assessed as having a learning disability or difficulty, and is not to be used to address learning gaps.

See also 'Additional payments'

### **Level 1**

See 'English and maths' or 'Functional skills'

### **Level 2**

See 'English and maths' or 'Functional skills'

### **Levy**

See 'Apprenticeship levy'

### **Levy-paying employer**

An employer, or group of connected employers, with a collective annual pay bill of over £3 million who therefore pay the levy.

### **Licence to practise**

Where it is a legal (or statutory) requirement for practitioners to have a licence, which confirms the licence holder meets certain standards of competence. This includes situations where it is illegal to be paid for a specified range of activities without a licence.

## **M**

### **Main provider**

Any organisation holding a contract with us through which we directly route funds from an employer's apprenticeship service account or government-employer co-investment. The main provider will have the overall responsibility for the training and on-programme assessment conducted by themselves and their delivery subcontractors, and have a contractual relationship on behalf of the employer for the end-point assessment conducted by an end-point assessment organisation. The payment for the end-point assessment organisation is through the main provider.

### **Maternity leave**

See 'Parental leave'

## **Mentoring**

To include in off-the-job training, mentoring must impart new learning to the apprentice directly linked to the achievement of the apprenticeship by a more senior or experienced member of staff. This does not include general line management. The apprentice must not be doing productive work.

## **Minimum duration**

The minimum length of time an apprentice must spend on training.

## **Minimum wage**

See 'National Minimum Wage'

## **N**

### **National Minimum Wage**

View the National Minimum Wage rates.

See also 'Apprentice rate'

### **Non-levy paying employer**

An employer, or group of connected employers, with a collective annual pay bill of less than £3 million who therefore do not pay the levy.

### **Non-mandatory qualifications**

Qualifications that an apprentice does not require to achieve an apprenticeship. The employer must pay for these qualifications.

## **O**

### **Off-the-job (OTJ) training**

Learning done outside of an apprentice's normal working duties, but within their working hours. Apprentices must spend at least 20% of their working hours doing OTJ training.

### **Online learning**

See 'Distance learning'

### **On-programme assessment**

A progress review of what the learner has done compared to the training plan in their commitment statement. It usually involves the learner, provider and employer.

### **On-the-job training**

Learning done during an apprentice's working hours to help them perform their job.

### **Ordinarily resident**

For funding purposes, a person who normally lives in the country, is allowed to live there by law, and return there after temporary trips outside the country. Temporary absences from a country due to the learner or a relevant family member working or travelling abroad would be discounted when considering ordinary residency.

## **OTJ**

See 'Off-the-job (OTJ) training'

## **P**

### **Parental leave**

When an employee takes time off work due to maternity leave, paternity leave, shared parental leave or adoption leave. Parental leave counts as a break in learning.

See also 'Break in learning'

### **Part time**

See 'Minimum duration'

### **Paternity leave**

See 'Parental leave'

### **Pay bill**

The total amount of money employers pay their employees each year.

### **Personal learning record (PLR)**

The personal learning record (PLR) allows individual apprentices access to their past and current achievement records. These can be shared with schools, colleges, further education training providers, universities or employers when making an application to further their education, training and employment.

### **Practical period**

The period for which the apprentice is expected to work and receive training under an approved English apprenticeship agreement. The start date and then end date of the practical period (as recorded on the apprenticeship agreement and commitment statement) must align with the learning start date and the learning end date on the ILR.

### **Pregnancy**

See 'Parental leave'

### **Previous apprenticeship**

See 'Prior learning'

### **Previous rules**

There are different funding rules for different apprenticeship start dates. You must follow the funding rules that apply to each apprentice. View the funding rules for previous and other years.

### **Prior learning**

Previous learning that may count towards an apprenticeship. For example, work experience, education, training and qualifications. Before a learner starts an apprenticeship, providers must do an initial assessment of their existing KSBs to check if they are eligible. Then reduce the cost, duration and content of the apprenticeship if necessary.

See also 'Minimum duration'

### **Progress review**

See 'On-programme assessment'

## **R**

### **Receiving employers**

Employers (levy or non-levy paying) who receive a transfer of apprenticeship funds from a levy-paying employer.

See also 'Transfer of funds'

### **Redundancy**

The statutory definition of redundancy (Employment Rights Act 1996) identifies three sets of circumstances (business closure, workplace closure, diminished requirements of the business for employees to do work of a particular kind) and an employee's dismissal can be considered to be by reason of redundancy if one of these circumstances is the reason for the dismissal. Redundancy includes voluntary redundancy.

See also 'Change of circumstance'

### **Register of Apprenticeship Training Providers (RoATP)**

A list of organisations that are eligible to receive government funding to train apprentices. To be added to the register, organisations must pass tests on due diligence, financial health, and tests on quality, capacity and capability.

### **Register of End-Point Assessment Organisations**

A list of organisations that are eligible to carry out independent end-point assessments of apprentices.

### **Resit**

Taking the end-point assessment again, without any extra learning.

### **Retake**

Taking the end-point assessment again, after further training.

### **Review**

See 'End-point assessment' or 'On-programme assessment'

### **Review visit**

See 'On-programme assessment'

## **S**

### **Self-directed distance learning**

When an apprentice is working alone with online material. The material is not delivered in real time and there is no interactive support.

### **Sending employers**

Levy-paying employers who have unused apprenticeship funds in their apprenticeship service account and transfer them to another employer.

See also 'Transfer of funds'

### **Special educational needs (SEN)**

Learning, physical or sensory needs that make it harder for someone to learn than most individuals the same age.

### **Standards**

An apprenticeship standard in relation to England for the purposes of the funding rules describes the occupation to which it relates and sets out the outcomes that persons seeking to achieve the standard are expected to attain in order to successfully complete the apprenticeship. Apprenticeship standards are approved and published by the Institute for Apprenticeships and Technical Education. Apprentices can only be enrolled against an apprenticeship standard once it is identified as 'approved for delivery' on the Institute for Apprenticeships and Technical Education website.

### **Start of learning**

The date learning begins. This does not include enrolment, induction, diagnostic assessment or prior assessment.

### **Subsidy control**

Using taxpayer-funded resources to provide assistance to one or more organisations in a way that gives an advantage over others. For example, grants, loans and tax breaks and the rules which may apply under the scope of the UK - EU Trade and Cooperation Agreement (TCA).

### **Statutory leave**

See 'Annual leave'

### **Subcontracting**

Subcontracting means any delivery of an apprentice's programme **of learning** by a separate legal entity. It does not matter if this is by a third party recruited to deliver on site (travel to teach), online learning or whether the delivery is described as a service.

## **Subcontractor**

A separate legal entity or an individual that has an agreement (called a subcontract) with you to deliver any element of the education and training we fund. A separate legal entity includes companies in your group, other associated companies and sole traders. An individual could include a person who is a sole trader, self-employed or employed by an agency unless those individuals are working under your direct management and control in the same way as your own employees.

## **Summary of changes**

See 'Changes from the previous document'

## **T**

### **The apprenticeship service**

The digital interface to services designed to support the uptake of apprenticeships. The service is aimed primarily at employers who engage with main providers and apprenticeship assessment organisations to deliver and facilitate the apprenticeship programme. It allows employers to choose, and pay for, the apprenticeship training that they want and will support the uptake of apprenticeships. The service contains information coming from a range of different sources, including main providers.

### **The hub**

A website you can use to send things like ILR returns and earnings adjustment statements to the ESFA. You can also view validity and funding details, learning aims, units and apprenticeships.

### **This document**

This document refers to the Apprenticeship Funding Rules for Main Providers August 2021 to July 2022.

### **Time off**

See 'Annual leave' or 'Off-the-job (OTJ) training'

### **Time out**

See 'Off-the-job (OTJ) training'

### **Total negotiated price (TNP)**

The price negotiated between an employer and main provider for all the eligible costs of an apprentice's training and assessment.

See also 'Eligible costs' and 'Ineligible costs'

## **Training**



The delivery of training and on-programme assessment by a main provider or any organisation contracted for this purpose.

### **Training provider**

Organisations that are on the Register of Apprenticeship Training Providers and appointed by an employer and / or holding a current funding agreement with us or contracted through a main provider for the delivery of training and on- programme assessment, as part of the employer's 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 main provider. This excludes individuals who are self-employed or supplied by an employment agency and who are working under the main provider's direction and control, in the same way as an employee.

### **Transfer of funds**

When levy-paying employers transfer any unused apprenticeship funds in their account to other employers.

### **Transfer to a new employer**

See 'Change of circumstances'

### **Transfer to a new provider**

See 'Change of circumstances'

## **U**

### **Unique learner number (ULN)**

A 10-digit reference number. You must use it to access or edit the personal learning record (PLR) of anyone that is in education or training and older than 14.

### **Updates**

See 'Changes from the previous document'

## **W**

### **Wage**

See 'Apprentice rate'

### **Withdrawal**

When an apprentice leaves or stops taking part in their apprenticeship before they have completed it. This could be temporary, and the apprenticeship can be restarted. A withdrawal is not a break in learning.

See also 'Change of circumstances'

### **Work experience**

The jobs that someone has had or the type of work they have done in the past. Also, when someone works for an employer on a short-term basis.

See also 'Prior learning'

### **Working hours**

The apprentice's paid hours, not including any overtime. There are maximum weekly working hours. Apprentices must complete their apprenticeship (including any training) during paid working hours.

### **Written agreement**

The main provider must have a written agreement in place with the assessment organisation 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 retakes and the transaction of payments.

## **Z**

### **Zero-hour contracts**

Contracts which do not specify a set number of hours for the employee to work.

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