



## Apprenticeship funding rules: August 2022 to July 2023

### Summary of changes

#### Introduction

1. This document sets out amendments to the following documents:
  - Apprenticeship funding rules and guidance for employers: August 2022 to July 2023 version 1
  - Apprenticeship funding rules for employer-providers: August 2022 to July 2023 version 1
  - Apprenticeship funding rules for training providers: August 2022 to July 2023 version 1
2. The funding rules form part of the terms and conditions for the use of funds in an employer's apprenticeship service account or for government-employer co-investment. You must read them in conjunction with your funding agreement with the Secretary of State for Education.
3. These rules will apply to all apprenticeship programmes starting on or after 1 August 2022 except where specifically stated otherwise.
4. Changes in the 2022 to 2023 draft funding rules were identified in the table below. The table now includes any further changes that were made for version 1 and version 2. The employer, employer-provider and provider paragraph numbers are denoted with the prefix E, EP or P respectively.

5. This document is intended as a summary of changes and does not replace the funding rules themselves. You should refer to the main funding rules document for the complete rules.

## **Summary Note:**

On 27 May 2022, we published a draft version of the 2022 to 2023 apprenticeship funding rules. Alongside this we also published a summary of changes, to make it easy to identify the differences between the 2021 to 2022 and the 2022 to 2023 rules.

We published a draft version to provide the sector with an opportunity to feedback on any areas of the 2022 to 2023 rules that we could make even clearer before the final version was issued. We published version 1 of the 2022 to 2023 rules in July 2022. In October 2022, we published version 2 of the 2022 to 2023 rules to reflect that prisoners are now eligible to undertake apprenticeships. We have also included a number of other amendments and this summary of changes highlights additional changes that have been made.

## **Policy Updates (version 2)**

### Prisoner Apprenticeships

Following a change in legislation, from 30<sup>th</sup> September 2022, prisoners are eligible to undertake apprenticeships without the need for an apprenticeship agreement.

### Change of Circumstances – where there is a break in employment of more than 30 days

Following feedback, we updated version 1 to reflect that where there is a break in employment of more than 30 days and up to 12 weeks, the main provider does not have to withdraw the apprentice immediately. After 30 days, the provider can record the apprentice as on a break in learning. Where the apprentice does not re-start with a new employer after 12 weeks, the main provider must withdraw the apprentice from the programme. In version 2, we have clarified that this rule will apply irrespective of the apprentice's start date and will include existing learners who started their apprenticeship programme in previous funding years.

### Annex A

Following a review, we have updated the section on asylum seekers to clarify under what circumstances asylum seekers are eligible for apprenticeship funding.

## **Policy Updates (version 1)**

### Progress Reviews

We have clarified that a progress review should take place at least every 12 weeks. We previously stated that this could be every 8-12 weeks but following feedback, we have been more specific.

### Eligible Costs:

As a result of the Eligible Costs review, and [as announced](#) on 27 May, we have made initial assessment an eligible cost and have expanded on, by adding more examples to, some of the current eligible costs (such as off-the-job training and administration). We have also made some changes to the list of ineligible costs. The results of this review are fully reflected in the Apprenticeship Funding Rules for 2022-23. For providers' information, we will shortly publish a more detailed response to our consultation on eligible costs.

### Support for English and maths training

In the draft version of the rules, we reflected that we are changing English and maths requirements for those Level 2 apprentices who start with the lowest level of prior attainment in English and maths. People who start a Level 2 apprenticeship without Level 1 English and maths will no longer need to automatically attempt Level 2 English and Maths tests to complete their apprenticeship. In version 1, we have confirmed that this policy change is applicable irrespective of the apprentice's start date and will include existing learners who started their apprenticeship programme in previous funding years.

### Change of Circumstances – where there is a break in employment of more than 30 days

Following feedback, we have updated version 1 to reflect that where there is a break in employment of more than 30 days and up to 12 weeks, the main provider does not have to withdraw the apprentice immediately. After 30 days, the provider can record the apprentice as on a break in learning. Where the apprentice does not re-start with a new employer after 12 weeks, the main provider must withdraw the apprentice from the programme.

### Annex A

Following a review of this section, updates have been made for version 1.

We are reviewing the section on asylum seekers.

## **Apprenticeship / Off-the-job training support materials**

We are in the process of updating the following documents - apprenticeship agreement, training plan, off-the-job training guide, off-the-job training infographic, off-the-job training myth buster, off-the-job training evidence collection form. These will be available through the relevant gov.uk hyperlinks from August 2022 (if you use the links before this date they will take you to the current versions of these documents where they are available).

## **Policy Updates (Draft version)**

### Off-The-Job Training:

From 1 August 2022 the off-the-job training policy will change. Currently an apprentice must train for a minimum of 20% of their own working hours; this means that an apprentice who works longer hours is potentially impacted by this link (i.e. higher working hours means a higher threshold for eligibility). From 1 August, the minimum volume of hours will no longer be linked to working hours; instead we will have a consistent figure, irrespective of the hours worked by the apprentice. This will be 6 hours per week (this figure was chosen as it represents 20% of 30 hours, which all part-time apprentices are currently doing). The 6 hours per week is for calculation purposes only; once calculated the programme can still be delivered flexibly.

This change must not dilute the existing requirement - to provide the right level of training to every apprentice. The volume of training that is delivered must be guided by the initial assessment of the apprentice and this may mean that an apprentice trains for more than 6 hours per week. This is a positive change, about simplification and fairness (particularly to those working longer working hours). 49% of audits indicate OTJ calculation issues and so we have strengthened some of the other rules in this area that are at the root of these issues.

### Total Negotiated Price:

Where your standard has a higher delivery cost than the assigned funding band (e.g. the funding band max is £10,000 but your delivery cost is £12,000) we no longer need you to report your delivery cost (i.e. the £12,000). The price you enter into the ILR and the apprenticeship service must be the funding band maximum minus the cost of any relevant prior learning you have agreed with the employer, minus any additional adjustment agreed with the employer (e.g. large cohort discount). The net effect of this change is that

any savings (e.g. from RPL) are realised by the public purse rather than by the employer. The employer must still pay in full any difference between the top of the funding band and your delivery cost.

## **Terminology:**

New rule:

- We use this term to describe new rules that are developed in line with new policy, changes to existing policy, or changes to operational processes. The term describes new actions we expect a relevant individual or organisation to undertake in order to be compliant.

Clarification:

- We use this term to describe the rewording of existing rules for ease of understanding or for the inclusion of a rule that explicitly states, reinforces, or emphasises the implicit actions that should already be taken in order to be compliant with the entirety of the funding rules.

Restructure:

- We use this term to describe areas where we have moved rules for ease of understanding.

New content:

- We will use this term to confirm when we have added something new.

## Summary of Changes

Section	Change	Paragraph number	Additional notes / rationale to support the changes
<b>Introduction and purpose of the document</b>	<b>Clarification:</b> To reflect that only levy-paying organisations are eligible to deliver apprenticeships as employer-providers.	P-EP3 E-	New for version 2. We have amended other references as appropriate throughout the document to reflect this.
	<b>Clarification:</b> To reflect Department for Education / Education and Skills Funding Agency organisational changes following the <a href="#">review of the Education and Skills Funding Agency</a> .	P5-8 EP5-8 E4*	Required following the ESFA review. *Updated for version 2 to reflect the status of the employer agreement.
	<b>Clarification:</b> To reflect that the changes to rules on English and maths will apply irrespective of the apprentice's start date and will include existing learners who started their apprenticeship programme in previous funding years.	P13.3 EP13.3 E8.3	Updated for version 1. Following feedback, we will apply the changes to English and maths policy to all apprentices irrespective of their start date.
	<b>New rule:</b> To reflect that prisoners are eligible to start apprenticeships from 30 <sup>th</sup> September 2022.	P13.4 EP13.4 E8.4	New for version 2.
	<b>New rule:</b> To reflect that the rules on apprentices changing employers with a gap of employment of more than 30 days and up to 12 weeks will apply irrespective of the apprentice's start date and will include existing learners who started their apprenticeship programme in previous funding years.	P13.5 EP- E8.5	New for version 2.

	We have removed reference to the Apprenticeship Performance Management Rules as these are not applicable to new starts from 1 August 2022.	N/A	-
	<b>New rule:</b> To reflect that organisations taking part in the portable flexi-job apprenticeships pilot must also refer to the supplemental funding rules for providers / employers delivering the portable flexi-job apprenticeships pilot programme.	P17 EP17 E12	Portable Flexi-Job Apprenticeships have been developed to put the apprentice in the driving seat and make their apprenticeship more portable. We are running a pilot to test Portable Flexi-Job Apprenticeships. The pilot will run across 23 standards in the creative, digital and construction sectors and will be delivered by providers approved through an expression of interest process.
<b>Recruit an apprentice</b>	<b>Clarification:</b> We have confirmed that the employer can create their own advert or ask the main provider to do this on their behalf.	P21.2 EP- E14.2	Updated for version 1.
	<b>New rule:</b> Whilst it is not mandatory for employers to use Recruit an apprentice (RAA), it is a condition of funding for all main providers to offer this service where applicable (e.g. for new recruits into a business). Where an employer has declined the use of Recruit an apprentice, you must record the reason for this in the evidence pack. We have confirmed that the information can be recorded at either learner or employer level and we have explained how we will use this information.	P21.3 EP21.2 E14.3	RAA is currently used by ~76% of active providers; this causes issues for candidates looking for central repository of all opportunities. We need to improve usage and better understand any barriers. Updated for version 1.

	<b>Clarification:</b> We have confirmed that you do not need to offer Recruit an apprentice for existing members of staff (i.e., where there is no apprenticeship vacancy).	P21.4 EP- E14.4	Updated for version 1.
<b>Initial assessment (new section)</b>	<b>New rules:</b> We have outlined the requirements of an initial assessment. This includes the requirement for there to be a direct link between the productive job role and the apprenticeship standard; and the requirement for the employer to provide the individual with the appropriate support and supervision, even where the apprentice is working from home. Note that we do not specify which assessment tools must be used; this is for your main provider to determine.	P23 to P24 EP23 to EP24 E16 to E17	The rule to require a direct link between job role and the apprenticeship has been added due to a recent investigation. The rule relating the support and supervision while working from home was added as a result of queries during Covid. Updated for version 1.
<b>Recognition of prior learning and experience</b>	<b>New rules:</b> We have outlined what the assessment of prior learning activity must include. This includes a new formula that must be used to reduce the price that is agreed with the employer, to account for prior learning.	P25 to P26 EP25 to EP26 E18 to E19	16% of audits record errors with taking into account prior learning when agreeing the total negotiated price, content and duration. The changes provide more detail on minimum activity required. The introduction of a formula to be applied for reducing the price of the apprenticeship, is in response for more clarity on how to decrease the price of the apprenticeship. Updated for version 1.
	<b>Clarification:</b> We have added further clarification of the RPL calculation. There is also reiteration that the amount added in TNP 2 is the price agreed with the end point assessment organisation.	P25.5.2 and P25.5.4 EP25.5.2 and EP25.5.4 E18.5.2 and E18.5.4	Updated for version 2.



<b>Employment arrangements (new section)</b>	<b>Clarification:</b> We have added a reference to the new flexi-job apprenticeship agencies.	P27 EP27 E20	-
	<b>Clarification:</b> The main provider must support the employer to ensure that the apprentice is included in the PAYE scheme declared in the apprenticeship service account. This information will be cross-checked with HMRC PAYE data.	P27.1 EP27.1 E20.1	Added to assist compliance checking of employed status. Updated for version 1.
	<b>New rule:</b> Added to support multiple concurrent job roles. It must be clear who is undertaking the role of 'employer' as defined by these funding rules. (Note that we have removed the rules included in the draft version to support secondments; this change is subject to further review).	P27.2 EP27.2 E20.2	New rules have been added, in relation to second jobs, as a result of multiple queries. We need to be clear who is undertaking the role of 'employer' as outlined. Updated for version 1.
	<b>New rule:</b> Added to support secondments during an apprenticeship, making it clear who is undertaking the role of 'employer' as defined by these funding rules.	P27.3 EP27.3 E20.3	Updated for version 2.
<b>Apprenticeship agreement (between the employer and the apprentice)</b>	<b>Clarification:</b> As two dates are required on the apprenticeship agreement, we have clarified the difference between the apprenticeship start date and the practical period start date.	P30 EP30 E23	Clarification added as a result of queries. Updated for version 1.
<b>Alternative English apprenticeship</b>	<b>Clarification:</b> We have clarified that in the case of redundancy, funding to completion also includes the end-point assessment.	P32.1.1 EP32.1.1 E25.1.1	Clarification added as a result of queries.

	<b>New rule:</b> We have added a new alternative English apprenticeship – for those apprentices taking part in the portable flexi-job apprenticeship pilot. Note this pilot only involves specific training providers.	P32.3 EP32.3 E25.3	To reference the new pilot for portable apprenticeships.
	<b>New rule:</b> To reflect that prisoners are eligible to start apprenticeships under alternative English apprenticeships from 30 <sup>th</sup> September 2022.	P32.4 EP32.4 E25.4	New for version 2.
<b>Apprentice wages</b>	<b>Clarification:</b> Change from ‘start of the apprenticeship programme’ to ‘apprenticeship start date’ to keep the naming of dates in the funding rules consistent. We have also clarified that an apprentice over 19 who has completed the first year of their apprenticeship is entitled to at least the correct national minimum wage for their age.	P34.1 EP34.1 E27.1	To use consistent language throughout the rules. We have also addressed the issue of wages during a break in learning / withdrawal as a result of queries. Updated for version 1.
	<b>New rule:</b> Where the individual permanently withdraws from the apprenticeship and they are no longer an apprentice, they must be paid at least the national minimum wage rate for their age; this must not be the apprentice rate. This does not apply to those on a break in learning.	P34.2 EP34.2 E27.2	Updated for version 1.
<b>Minimum duration and employment hours</b>	<b>Clarification:</b> To clarify that active learning means off-the-job training or English and maths. To support the monthly payment, some active learning must take place every 4 weeks (or a break in learning must be used to stop the funding).	P35.2 EP35.2 E28.2	To give definition to current rule and update examples of where episodes of learning can be added together.
<b>Off-the-job training</b>	<b>Restructure:</b> New sub-headings have been added to break up the section. Some text has been moved around within the section to aid flow.	P40-P55 EP40-EP55 E33-E48	-

	The commitment statement has been renamed as training plan throughout.		
	<b>Clarification:</b> That activities such as shadowing and mentoring can only be included as off-the-job training where this is part of the agreed training plan.	P41.2 EP41.2 E34.2	Added clarity as a result of audit findings – evidence is not always clear of any link between mentoring and the apprenticeship.
	<b>Clarification:</b> We have deleted the word ‘assessments.’	P41.3 EP41.3 E34.3	New for version 1.
	<b>Clarification:</b> That time spent on the initial assessment and onboarding activities must not count towards off-the-job training.	P42.1 EP42.1 E35.1	37% of audits report issues with the training plan, including ineligible activities such as onboarding being included.
	<b>New rules:</b> We have amended the off-the-job training policy to remove the link to the apprentice’s working hours (for full-time apprentices). The new minimum off-the-job training requirement for a full-time apprentice is 20% of a 30 hour week (even where the apprentice works more than 30 hours per week for an employer); this equates to an average of 6 hours of off-the-job training per week. The minimum requirement for a part-time apprentice remains unchanged (i.e. 20% of their normal working hours over an extended duration). <u>This policy change only applies to new starts from 1 August 2022.</u>	P43 and P44 EP43 to EP44 E36 to E37	From 1 August, the minimum volume of hours will be 6 hours per week. The 6 hours per week is for calculation purposes only; once calculated the programme can still be delivered flexibly.  This change must not dilute the existing requirement; the volume of training that is delivered must be guided by the initial assessment and this may mean that an apprentice trains for more than 6 hours per week.  49% of audits indicate OTJ calculation issues and so we have strengthened some of the other rules in this area that are at the root of these issues.

	<p><b>Clarification:</b> We have made it clear that despite the (new) minimum off-the-job training requirement, the volume of training hours delivered must be supported by the initial assessment. Some apprentices and standards will need more than the minimum requirement.</p>	<p>P45 EP45 E38</p>	<p><u>Updated for version 1.</u></p>
	<p><b>Clarification:</b> For apprentices with term time only contracts (such as those in the teaching profession), we have clarified how off-the-job training is calculated.</p>	<p>P47 EP42.1 E40</p>	<p>Clarification added as a result of queries.</p>
	<p>New rule: For those apprentices with a term-time only contract, if there is no planned activity (active learning) over the 6 week summer holiday we do not require a break in learning. This is the only exception to the active learning / break in learning rules.</p>	<p>P47.2.1 EP47 E40.2.1</p>	<p><u>New for version 1.</u></p>
	<p><b>New rule:</b> If planned off-the-job training hours have been submitted in the ILR for the apprentice, actual off-the-job training hours must also be submitted in the ILR, at the end of the practical period or where the apprentice leaves the apprenticeship early as a non-completer; this includes current learners on programme as of 31 July 2022.</p>	<p>P49 EP49 E42</p>	<p>To aid compliance work. Updated for version 1.</p>
	<p><b>Clarification:</b> We've clarified that if off-the-job training must, by exception, take place outside of the apprentice's normal working hours, the apprentice must agree and must be compensated for this (text taken from OTJ guide).</p>	<p>P50.1 EP50.1 E43.1</p>	<p>To aid compliance work.</p>

	<b>Clarification:</b> We have clarified how 'active learning' and 'front-loading' can work together.	P52 EP52 E45	Clarification added as a result of queries. Updated for version 1.
	<b>Clarification:</b> Where catch-up training is delivered over a shorter period, you must ensure the apprentice still receives the minimum number of hours required to meet the off-the-job training policy.	P52.3.1 EP52.3.1 E45.3.1	
	<b>New rule:</b> To confirm that the main provider is responsible for retaining evidence to support both their own delivery and that of others. In both cases, evidence must be quantifiable and must meet the off-the-job training definition.	P53 EP53 E46	To aid compliance work.
	<b>New content:</b> A template evidence form has been made available on GOV.UK. It is not mandatory to use this template.	P53.1.1 EP53.1.1 E46.1.1	-
	<b>Flowchart:</b> This has been updated to reflect the new minimum requirement.	N/A	-
<b>The training plan between the employer, apprentice, and main provider</b>	<b>Restructure:</b> We have changed the name of the commitment statement to training plan throughout this section (and the funding rules document).	P56 to P58 EP56 to EP58 E49 to E51	We have changed the name of the commitment statement back to training plan. Longer term, we aim to put the training plan, or parts thereof, onto the apprenticeship service and the service already has a stage in the recruitment journey called 'commit' which we thought may become confusing.
	<b>New rule:</b> The training plan must not include any content that has been identified, and agreed with the employer, as relevant prior learning.	P56.2 EP56.2 E49.2	
	<b>New rules:</b> The training plan must be agreed before any training is delivered. We accept that	P56.3 and P57.6.3	Updated for version 1.

	for longer programmes (i.e. 12 months +) these details may not yet be finalised, and the plan may initially only detail the first year; in these circumstances the training plan should be updated as the information becomes available.	EP56.3 and EP57.6.3 E49.3 and E50.6.3	
	<b>Clarification:</b> That funding can only be claimed from the date on which evidence of learning activity can be provided.	P56.4 EP56.4 E49.4	
	<b>Clarification:</b> The training plan must be updated to include the end-point assessment organisation no later than 6 months before the learning planned end date (rule replicated from the EPA section).	P57.2.1 EP57.2.1 E50.2.1	
	<b>New rules:</b> We require that the training plan documents when and how components of the programme will be delivered and that where apprenticeship funding is being accessed, this party must be on the Register of Apprenticeship Training Providers (unless the exemption at P177.3 applies).	P57.5-P57.6 EP57.5-EP57.6 E50.5 to E50.6	
	<b>New rule:</b> That funds would be at risk if you are not able to show, upon request, an up to date training plan and current progress towards this training plan.	P58 EP58 E51	
<b>Progress reviews</b>	<b>New rules:</b> We have added a progress review section and documented the minimum requirements of this activity.	P59-P60 EP59-EP60 E52-E53	We have added a new section for progress reviews, to guide what must be covered, due to queries and audit issues. Updated for version 1.

<b>Individuals who are eligible for funding</b>	We have moved the rule that relates to financial contributions by an apprentice to a new sub-section under 'Paying for an apprenticeship'.	N/A	
	We have moved the rule that relates to an apprentice becoming unemployed or self-employed during the apprenticeship to the 'Individuals who are not eligible for funding section'.	N/A	
	<b>New rules:</b> We have updated the rules to reflect that from 30 <sup>th</sup> September 2022, prisoners can access apprenticeships under alternative arrangements.	P71-P73 EP71-EP73 E62-E64	
<b>Individuals who are not eligible for funding</b>			We have also received a high number of eligibility queries where there was no separate line manager and have reviewed our policy in relation to who we will fund. The role of the employer is key in an apprenticeship (i.e. on-the-job training, support and mentoring, agreeing the training plan, monitoring progress). We do not think this would be a quality apprenticeship without a separate, identifiable line manager.
	<b>New rule:</b> To reflect that individuals who are self-employed as a sole trader are ineligible for funding (this previously said self-employed).	P77.1 EP77.1 E68.1	
	<b>New rule:</b> To reflect that a shareholder / director with no separate identifiable line-manager to undertake the role of 'employer' is ineligible for funding. The same person must not sign the apprenticeship agreement as both the apprentice and the employer	P77.2 EP77.2 E68.2	
	<b>New rule:</b> To reflect that if, during their programme, an apprentice becomes unemployed, self-employed as a sole trader, or becomes a shareholder / director with no separate identifiable person to undertake the role of employer, they will no longer be eligible for funding and must be reported on the ILR as having withdrawn from the	P77.2.1 EP77.2.1 E68.2.1	

	<p>apprenticeship. If the apprentice has been made redundant, see the relevant rules.</p>		
	<p>We have removed the rule about prisoners not being eligible for apprenticeships to reflect legislation which from 30<sup>th</sup> September 2022, enables prisoners to access apprenticeships under alternative arrangements.</p>	<p>P- EP- E-</p>	<p>New for version 2.</p>
<p><b>Flexi-Job Apprenticeship Agency (new section)</b></p>	<p><b>New Section:</b> To reflect the launch of the Register of Flexi-Job Apprenticeship Agencies, this new section details the rules for these organisations.</p>	<p>P90-P94 EP- E71-E77</p>	<p>-</p>
<p><b>Apprenticeship training agency (ATA)</b></p>	<p>This section of the rules is currently under review. Following the launch of the Register of Flexi-Job Apprenticeship Agencies, the ATA register is now closed.</p>	<p>P95-P101 EP- E78 to E84</p>	<p>-</p>
	<p>We have confirmed that following the closure of the ATA register, any apprenticeships which begin before 31 December 2022 can continue to be delivered through an ATA, but new starts under this delivery model will not be permitted from 1 January 2023.</p> <p>From 1 January 2023 only organisations on the Register of Flexi-Job Apprenticeship Agencies will be able to start new apprenticeships which are delivered via a model where apprentices are placed with host employers for the majority of their apprenticeship (i.e. more than 50% of the apprenticeship duration).</p>	<p>P – Grey Box EP- E – Grey Box</p>	<p>Updated for version 2.</p>



	<b>Clarification:</b> To confirm that host employers can send transfers to ATAs to support apprenticeships	P- EP- E83	This has always been allowed however we are clarifying this following recent queries.
<b>Eligible costs</b>	<b>New rule:</b> We have added initial assessment as an eligible cost.	P104.1. EP92.1 E87.1	Changes to the eligible costs list have been made as a result of the eligible and ineligible costs review, carried out in 2021.
	<b>Clarification:</b> We have added what we mean by off-the-job training costs (some text taken from the eligible costs consultation document). In relation to the costs of an employer supporting or mentoring an apprentice, we have been clear that the activity must be required by the standard and part of the agreed training plan. The employer can only receive funding for this activity if they are a supporting provider or an employer-provider (i.e. on ROATP).	P104.2 EP92.2 E87.2	We have added initial assessment as a new cost and have included extra information under the other existing eligible costs headings, which we hope stakeholders will find helpful.  We have deleted the terminology of a licence to practise. For funding purposes a qualification will either be a mandatory qualification or a non-mandatory qualification. A mandatory qualification that complies with the policy will be fully funded. For non-mandatory qualification we will only fund the training which overlaps with the knowledge, skills, and behaviour requirements of the apprenticeship.
	<b>Update:</b> We have deleted the terminology of a licence to practise.	N/A	
	<b>Restructure:</b> We have moved the rule relating to self-directed distance learning to the off-the-job training section.	N/A	-
	<b>Clarification:</b> We have named the standard that eligible accommodation costs relate to.	P104.3.2 EP92.3.2 E87.3.2	Added to avoid any confusion.
	<b>New rule:</b> We are limiting the costs associated with this area to one re-sit.	P104.4.2 EP92.4.2	Additional resits would be for the employer to fund.

		E87.4.2	
	<b>New sub-heading:</b> We have changed the heading of 'administration' to 'Programme governance, management and administration' to reflect the feedback from the eligible costs review that the included activities are not necessarily carried out by administrative staff. We have added in more examples of what can be included in this section.	P104.5 EP92.5 E87.5	As a result of feedback in the Eligible Costs review. Updated for version 1.
	<b>Clarification:</b> We have clarified that estimate EPA costs must not be entered into the ILR (this is already in the EPA section).	P105.1 EP93.1 E88.1	To aid compliance work.
	<b>Clarification:</b> We have clarified that the majority of training providers will operate on commercial terms and will expect to create a surplus (profit) which is a legitimate approach to take.	P105.2 EP- E88.2	Updated for version 1.
	<b>Clarification:</b> All changes to the total negotiated price must be agreed with the employer. By this we mean TNP1 OR TNP2 (not just the total of the two fields together).	P106 EP94 E89	Agreeing the change to either TNP1 or TNP2 has been added so that the employer is fully sighted on all changes (e.g. when the actual EPA cost is added, the price of training must not change unless the employer has agreed it can do so).
	<b>New rule:</b> We no longer require the actual delivery cost of the apprenticeship on the ILR and the apprenticeship service, where this figure is above the funding band. The price that you enter into both the ILR and the apprenticeship service is the price that you are claiming from us (the top of the funding band	P106 EP94 E89	Where the agreed price of delivery is above the funding band, the difference must be set aside and dealt with separately. It must not be included in the price that you enter onto the ILR or the apprenticeship service. This is so any RPL savings are attributed to the public purse rather than to the employer.

	minus the cost of any relevant RPL and any further discounts with the employer). You must enter the same price into the ILR and the apprenticeship service. You must make your own arrangements to collect any money due from the employer if the true value is above the funding band maximum.		
<b>Ineligible costs</b>	<b>New rules:</b> We have restructured the section and added a number of new ineligible costs (for field TNP1) as a result of the eligible costs review – these costs did not previously appear in the funding rules. We have also tried to structure the ineligible costs, where possible, into main costs and employer costs.	P108 EP96 E91	Updated for version 1.
	<b>Update:</b> Personal protective clothing and safety equipment required by the apprentice to carry out their day-to-day work. (This was deleted in error from Version 1 but has appeared in previous versions of the funding rules).	P108.2.2 EP96.2.2 E91.2.2	Updated for version 2.
	<b>Clarification:</b> We have clarified that Apprenticeship training agency fees (as well as Flexi-job apprenticeship agency fees) are ineligible costs.	P108.2.5 EP96.2.5 E91.2.5	Updated for version 2.
	<b>New rule:</b> To reflect that costs associated with any further detailed assessment for learning support are ineligible. Learning support payments are funded separately.	P108.5 EP96.5 E91.5	Updated for version 1.
	<b>Clarification:</b> We have expanded on the financial inducement information and provided examples.	P108.9 EP96.9 E91.9	

<b>Additional Payments</b>	<b>Restructure:</b> To merge the paragraphs relating to when the employer element will be processed for 19 to 24 year olds.	P115 EP- E-	This was previously split into two separate paragraphs, so we have now amalgamated these. New for version 1.
	<b>Clarification:</b> That all additional payments must be passed onto employers within 30 working days of receipt. We have removed the rule that the main provider must obtain written confirmation from the employer which verifies they have forwarded the relevant payment to them.	P117 EP- E-	This is now a separate paragraph as all additional payments are to be passed on in this timescale. New for version 1.
	<b>New Rule:</b> Confirmation of the process to follow if providers are unable to pass on the employer payment.	P118 EP- E-	Following feedback we have included the process on how to return the employer payment if providers have been unable to pass this on (this is usually when employers bank account details are not obtained despite numerous attempts). New for version 1.
	We have removed reference to incentive payments for hiring a new apprentice as these are not applicable to starts from 1 August 2022.	P- EP- E-	
<b>Support for English and maths training</b>	<b>Clarification:</b> We have clarified that English and/or maths must be provided for all apprentices where they do not have prior attainment in these subjects at level 2.	P134 EP114 E108	
	<b>New rule:</b> To reflect the policy change that level 2 apprentices who do not have level 1 in English and maths must prioritise achieving level 1 in these subjects and are only required to work towards level 2 English and maths where they have time remaining to make meaningful progress, once they have achieved level 1. The	P136.1 and P140.1 EP116.1 and EP120.1 E110.1 and E114.1	Updated for version 1. This addition is to reflect that we want apprentices to have the opportunity to achieve English and maths qualifications as part of their apprenticeship, up to and including Level 2 in these subjects.

	<p>requirement for apprentices assessed at level 1 but without a level 1 qualification to take level 2 before achieving level 1 has been removed. 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.</p>		<p>The change is in recognition that Level 2 English and maths is at least two levels of above the prior attainment for those who have not achieved a Level 1 on start. We want these apprentices to prioritise achieving Level 1 English and maths, and the overall apprenticeship. Following feedback, we will apply the changes to English and maths policy to all apprentices irrespective of their start date.</p>
	<p><b>Clarification:</b> To reflect that apprentices must be assessed at level 2 for all three units of the English Functional Skills and the assessment for maths</p>	<p>P140.1 EP120.1 E114.2</p>	
	<p><b>Clarification:</b> We have added extra clarification to make it clear that an assessment at the level of English and maths specified in the apprenticeship standard does not remove the requirement to achieve the minimum required level in English and maths.</p>	<p>P148 EP128 E122</p>	<p>New for version 2.</p>
	<p>The flow-chart has been updated.</p>	<p>P EP E</p>	
<b>End-point assessments</b>	<p><b>Clarification:</b> We have moved relevant information relating to integrated standards, from elsewhere in the rules to a new section.</p>	<p>P168-P169 EP148-EP149 E141-E142</p>	<p>Clarification added as a result of queries.</p>
	<p><b>Clarification:</b> To reflect requirements for end-point assessment of integrated standards.</p>	<p>P168 EP149 E141</p>	<p>Updated for version 1.</p>

<p><b>Contracting and subcontracting</b></p>	<p><b>New rule:</b> In accordance with your ESFA contract(s), you must meet the ESFA subcontracting standard as detailed in the subcontracting standard guidance (the auditors guidance is currently in development and an update will follow). The external audit report must now be submitted via the ESFA document exchange (rather than by email).</p>	<p>P198 EP177 E-</p>	<p>Updated to include the reference to the new standard. Updated for version 1.</p>
<p><b>Paying for an apprenticeship</b></p>	<p><b>Clarification:</b> To reflect how funding for an apprenticeship is determined.</p>	<p>P206 EP183 E162</p>	
<p><b>The price of an apprenticeship</b></p>	<p><b>New rule:</b> We no longer require the actual delivery cost of the apprenticeship on the ILR and the apprenticeship service, where this figure is above the funding band. The price that you enter into both the ILR and the apprenticeship service is the price that you are claiming from us (the top of the funding band minus the cost of any relevant RPL and any further discounts with the employer). You must enter the same price into the ILR and the apprenticeship service. You must make your own arrangements to collect any money due from the employer if the true value is above the funding band max.</p>	<p>P207 EP184 E163</p>	<p>Where the agreed price of delivery is above the funding band, the difference must be set aside and dealt with separately. It must not be included in the price that you enter onto the ILR or the apprenticeship service. This is so any RPL savings are attributed to the public purse rather than to the employer.</p>

	We have removed the rule that said the main provider must not offset the negotiated price with the costs of any service provided by the employer. Unless you are on the Register of Apprenticeship Training Provider the employer cannot access apprenticeship funding (this was not the case when the rule was first developed).	NA	This rule was added at the time when there was an exception to ROATP for anyone delivering under £100,000 of provision. This paragraph is therefore no longer applicable as the employer (unless on ROATP as a supporting provider) cannot receive apprenticeship funding.
<b>Employer co-investment</b>	<b>Clarification:</b> To reflect how funding for an apprenticeship is determined.	P210 EP- E-	
	<b>Clarification:</b> To confirm that where, due to a change of circumstances, the employer has overpaid their employer co-investment then the provider must reconcile and refund any monies due.	P- EP- E170	The provider rules were updated last funding year to reflect this
	<b>Clarification:</b> To reflect that where an employer becomes a levy-payer during an apprenticeship which started as a non-levy apprenticeship, co-investment must be reconciled and any overpayment addressed.	P211 EP- E170	We have added some additional clarification around the way in which funding works and the impact on co-investment. Providers and employers should follow the arrangements set out in their agreement for any over-payment by the employer. Updated for version 1.
<b>When payments are made</b>	Clarification: To reflect that all government-funded apprenticeships are funded through the Apprenticeship Service.	P217 to P221 EP- E-	

<b>Funds in an employer's apprenticeship service account</b>	The heading of this section has been changed to reflect that all employers are now funded through the apprenticeship service.	N/A	-
	<b>Clarification:</b> To clarify responsibilities for the employer's apprenticeship service account.	P226 EP- E181	To clarify existing requirements in other documents, emphasising the need for accuracy.
	<b>New rule:</b> You must make sure that the PAYE scheme used in the apprenticeship service account for the apprentice is linked to the National Insurance number for the apprentice declared by the main provider in the ILR.	P- EP203 E185	
<b>Reservation of funds by non-levy employers</b>	<b>Clarification:</b> To clarify responsibilities for the employer's apprenticeship service account.	P230 EP- E191	
<b>Apprenticeships funded by transfer of levy funds</b>	Text relating to rules about sending employers not being able to receive a transfer, and vice versa, has been removed as this restriction was lifted in February 2022	N/A	-
	<b>New Rule:</b> To confirm that host employers can send transfers to Flexi-Job Apprenticeship Agencies	P- EP226 E223	-
	<b>Clarification:</b> Rule updated to confirm that the responsibility for the quality of the apprenticeship and employment of the apprentice(s) lies solely with the receiving employer.	P- EP230 E228	This has always been the case; however, we have now made this clearer.



	<b>Clarification:</b> Rule updated to reflect what happens if the sending employer does not have sufficient levy funds to cover the monthly cost, and the receiving employer has no levy funds available	P-EP239 E-	This has always been the case; however we never confirmed this in the employer-provider rules (it was only in the employer rules). Updated for version 1.
	<b>Clarification:</b> Rule updated to include monitoring the details submitted in pledge applications against the actual details entered onto AS when apprentice starts	P-EP240 E241	
<b>Change of circumstance</b>	<b>Clarification:</b> to reflect the actions you must take when an apprentice has a break in employment for more than 30 days.	P264.2 EP- E243.2	Updated for version 2.
<b>Breaks in learning</b>	<b>Clarification:</b> Breaks in learning must be used where active learning has not taken place for four weeks.	P267 EP248 E244	Updated for version 1.
	<b>New rule:</b> Where the apprentice changes employer and there is a gap in employment of more than 30 days and up to 12 weeks, you must record the apprentice as on a break in learning.	P267.2 EP- E246	Updated for version 1.
	<b>Clarification:</b> To reflect that a break in learning can be taken either with, or without a break in employment.	P268.1 EP249.1 E247.1	This has always been the case; however, we have now made this clearer.
<b>Summary of action following a change of circumstance</b>	<b>New rule:</b> To reflect that where there is a break in employment of more than 30 days and up to 12 weeks, the main provider must, after 30 days, record the apprentice as on a break in learning. Where the apprentice does not re-start with a new employer after 12 weeks, the main provider must withdraw the apprentice from the programme.	P318 to P320 EP- E294 to E295	Updated for version 2. Following feedback, we have confirmed that 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.
<b>Evidence Pack (Introduction)</b>	<b>Update:</b> Where funding rules have been updated, the corresponding evidence pack	P328-P363 EP298-EP334	Providers / employer-providers should read the evidence pack carefully.

	requirements have also been reviewed and updated where necessary.	E-	
<b>Evidence Pack (Employment arrangements)</b>	<b>New evidence requirement:</b> To reflect evidence required in respect of secondments.	P334.2 EP307.2 E-	New for version 2
<b>Evidence Pack (Flexi-Job Apprenticeship Agencies)</b>	<b>New evidence requirement:</b> To document details of the apprentice's placement(s)	P345 EP- E-	This is to reflect the launch of Flexi-Job Apprenticeship Agencies
<b>Evidence Pack (Additional payments)</b>	<b>New evidence requirement:</b> To confirm the evidence required for passing on the additional payment to the employer is now through financial systems records and confirmation notification to the employer.	P348.5 EP- E-	Following feedback this has been updated to confirm what evidence will be accepted – we have removed the request to obtain written confirmation from the employer. We have also clarified what evidence is required for when providers have been unsuccessful in passing the payment on. Updated for version 1
<b>Evidence Pack (End-point assessment)</b>	<b>Clarification:</b> To clarify the evidence requirements on end-point assessment.	P351 EP323 E-	New for version 1.
	<b>Clarification:</b> To confirm that the provider can collect evidence of completion from their EPAO. This is no longer confined to the EPAO portal.	P351 EP323 E-	Updated for version 2.
<b>Individualised learner record (ILR)</b>	<b>Clarification:</b> To reflect that an accurate National Insurance number for the apprentice must be reported in the ILR and that this must be linked to the PAYE scheme used in the employer's apprenticeship service account for that apprentice.	P361 EP340 E-	To clarify existing requirements in other documents, emphasising the need for accuracy.
<b>Annex A</b>	Updates to the UK nationals in the EEA section to include Switzerland	P367 EP338 E303	Following a review of this section, updates have been made for version 1.

Updated EEA nationals in the UK section to EEA and Switzerland nations in the UK with EU Settlement Status	P368 EP339 E304	
A new section on Irish citizens in UK or Ireland	P369 EP340 E305	
A new section on Irish citizens in EEA and Switzerland	P370 EP341 E306	
Updates to the Non-UK nationals section	P371 EP342 E307	
A new section on family members of EU Nationals	P372 EP343 E308	
A new section on family members of an eligible person of Northern Ireland	P373 EP344 E309	
A new section on joining family members under the EU Settlement Scheme	P374-P375 EP345-EP346 E310-E311	
A new section on late applications to the EU Settlement Scheme	P376 to P378 EP347-EP349 E312-E314	
Updates to the individuals with certain types of immigration status and their family members section.	P379 EP362 E315	
Updates to the section on Asylum Seekers	P381 EP366 E319	New for version 2.

<b>Glossary</b>	<b>New content:</b> New terms have been added to the glossary. These include diagnostic assessment, full-time apprentice, gateway, insufficient progress against training plan, learning start date, onboarding (of the apprentice), part-time apprentice, planned learning end date, skills scan, subcontract, subcontracting, subcontractor.	N/A	We have added terms to the glossary so that all parties are working to the same definition
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