



Apprenticeship funding rules August 2020 to July 2021 (version 5)

Summary of changes

Introduction

1. This document sets out amendments to the following documents:
 - Apprenticeship funding rules for main providers
August 2020 to July 2021 version 4
 - Apprenticeship funding rules for employer-providers
August 2020 to July 2021 version 4
 - Apprenticeship funding rules and guidance for employers
August 2020 to July 2021 version 4
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 (acting through the Education and Skills Funding Agency (the ESFA), an executive agency of the Department for Education).
3. These rules will apply to all apprenticeship programmes starting on or after 1 August 2020, with the exception of the following:
 - a. the new redundancy arrangements described, which will apply to all redundancies that occur on or after 15 October 2020, irrespective of the apprentice's start date; and
 - b. the Functional Skills Qualifications temporary flexibilities, which will apply to all active apprentices, irrespective of their apprenticeship programme start date which may be in a previous funding year.
4. We have identified the rules that have changed from the 2019 to 2020 funding rules in the table below. 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 and does not replace the funding rules themselves. You should refer to the main funding rules document for the definitive rules.

Summary Note:

On the 30 July 2020 we published version 1 of the 2020 to 2021 apprenticeship funding rules. Along with that version of the rules we also published a summary of changes, to make it easy to identify the differences between the 2020 to 2021 clarification version and version 1 of the 2020 to 2021 rules.

We have now published version 5 of the 2020 to 2021 rules and this summary of changes includes the additional amendments that have been made since the clarification version and versions 1, 2, 3 and 4.

The 2020 to 2021 funding rules are being published following the policy changes and flexibilities introduced in response to the impact of coronavirus (COVID-19).

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 are introducing new tools (e.g. flowcharts) to help articulate the rules. We will use this term to confirm when we have added something new.

Summary of Changes.

Section	Change	Paragraph number
Introduction and purpose of the document	New content: We have included a link to the guidance which includes the latest details on temporary flexibilities that are available in response to the Coronavirus (COVID-19) outbreak.	-
	New rule: From 1 August 2020, all new apprentices must start on <u>apprenticeship standards</u> . The funding rules have been updated to reflect that from 1 August 2020 all new apprentices must start on apprenticeship standards. Existing learners on apprenticeship frameworks will still be able to complete their framework providing they started on or before 31 July 2020. For operational reasons it is our intention that these learners complete their apprenticeship framework by 31 July 2025 (accounting for any breaks in learning).	P14 EP14 E9 All references to frameworks have been removed throughout the documents.
	New content: We have added a link to the new 20/21 Provider Support Manual.	New for version 1 P3 EP2 E -
	New rule: To clarify that the 2020/21 funding rules apply to all apprenticeship programmes starting on or after 1 August 2020, with the exception of the new redundancy arrangements described.	New for version 2 P13 EP13 E8
	New rule: To clarify that the 2021/21 funding rules apply to all apprenticeship programmes starting on or after 1 August 2020, with the exception of the Functional Skills Qualifications (FSQ) temporary flexibilities described. The FSQ rules apply to all active apprentices, irrespective of their apprenticeship programme start date which may be in a previous funding year.	New for version 4 P13 EP13 E8
	New rule: To reflect that from 1 April 2021, all new apprentice starts with both levy and non-levy paying employers must be funded through the apprenticeship service.	New for version 5 P15 EP15 E10
What is an apprenticeship?	Clarification: To be clear what we mean by 'support and supervision'.	P23 EP22 E16
	Clarification: Requirements of the initial assessment have been made clearer (bullet point	P24 EP23

	format).	E17
	New rule: To aid the restructuring of the section. All apprentices must have an apprenticeship agreement or be covered by one of the exceptions.	P25 EP24 E18
Apprenticeship agreement (between the employer and the apprentice)	Clarification: We have removed the reference to an apprenticeship training agency as this does not apply to employer-providers.	P- EP25 E-
	Clarification: Requirements of the apprenticeship agreement have been made clearer (bullet point format).	P28 EP27 E21
	Clarification: To make clear that the start dates (on the apprenticeship agreement and commitment statement) that must align with the ILR are those of the practical period.	P29 EP28 E22
	Clarification: Removal of the word 'occupation' to align this section with the revised apprenticeship agreement template on gov.uk.	New for version 2 P28.1 EP27.1 E21.1
Alternative English apprenticeship	Restructure: Note: this section was previously called Employment Contract.	P32 to P33 EP31 to EP32 E25 to E26
	Clarification: Additional clarification on alternative English apprenticeships and what this means in practice.	P32.1 EP31.1 E25.1
	New rule: To update this paragraph to reflect the new secondary legislation relating to redundancy, which came into force on 15 October 2020.	New for version 2 P32 EP31 E25
Minimum duration and employment hours	Clarification: We have made it clearer that the minimum duration of 12 months applies to the practical period (rather than a full apprenticeship standard) after prior learning has been considered.	P37 EP36 E30
	Clarification: We have removed the reference to temporary part-time working.	P41 EP41 E35
	Clarification: We have removed the reference to evidence why a particular working pattern is in place.	P42 EP42 E36
	Clarification: We have removed the exception relating to a change in standard option. This is regarded as the same apprenticeship so an exception to the minimum duration is not required.	P46 EP46 E40
	Clarification: Actions a provider must take if there is a change to the apprentice's working hours during the programme.	New for version 1 P41.1 EP41.1 E35.1
	Clarification: We have made it clear that the apprentice does not have to meet the minimum duration threshold if they are returning to the same apprenticeship after a withdrawal.	New for version 1 P46.2 EP46.2 E40.2

Off-the-job training	Clarification: We have amended this rule to include reference to apprentices who would 'normally be paid'. This is to cover redundant apprentices who may not be receiving a wage.	P48 EP- E42
	Clarification: To align with other off-the-job information (guide, infographic etc) we have been clear that off-the-job training must deliver new skills.	P49 EP49 E43
	Clarification: The commitment statement and the apprenticeship agreement must be separate documents.	P56 EP56 E49
	New rule: To add in a rule relating to new policy already announced on the ability to continue with limited off-the-job training whilst on maternity, adoption or shared parental leave.	P62 EP62 E56
	Clarification: You must not deliver the minimum number of hours required by the policy where the apprentice requires more than this minimum requirement.	New for version 1 P52.2 EP52.2 E46.2
	Clarification: We have confirmed that the planned hours information you submit on the ILR must not change once submitted (with the exception of a data input error at the beginning of the programme).	New for version 1 P57 EP57 E51
	New rule: To add in a rule relating to the new actual hours field on the ILR and to be clear who we need this information for.	New for version 1 P58 EP58 E52
	New rules: To add in a new section in relation to planned -v- actual hours. Since the clarification version we have updated the flowchart to better align it with the supporting text.	New for version 1 P64 to P65 EP64 to EP65 E57 to E59
	New content: We have introduced a flowchart to support the funding rules in this section.	New for version 1
The commitment statement between the employer, apprentice and main provider	Clarification: The commitment statement and the apprenticeship agreement must be separate documents.	P73.1 EP73.1 E64.1
	Clarification: The commitment statement must be kept up to date with any material changes	P73.2 EP73.2 E64.2
	New rule: The commitment statement must include confirmation that the employer will release the apprentice for off-the-job training.	P75.7 EP75.7 E66.7
	Clarification: To explain what we mean by "planned content/components	New for version 1 P75.5 EP75.5 E66.5

Apprenticeship training agency (ATA)	Clarification: We have removed the reference to the ATA Framework which is no longer used as a practical monitoring tool.	-
Who can be funded	New rule: To allow employer-providers to support apprentices they have made redundant (this applies to any redundancy on or after 1 August 2020).	New for version 2 P- EP87 E-
	New rule: To update this paragraph to reflect the new secondary legislation relating to redundancy, which came into force on 15 October 2020.	New for version 2 P87 EP87 E75
Eligible costs	Restructure: The eligible costs have been restructured to mirror, where possible, the proposed IFATE funding review categories.	P110 EP103 E94
	New content: Added in “formative (ongoing) assessment cost associated with a mandatory qualification” in the assessment category. This is not new policy (i.e was not previously an ineligible cost) and was likely included in the on-the-job training costs previously.	P110.9 EP103.9 E94.9
	New rule: It must be clear in the evidence pack if the total negotiated price changes and the reason for this change.	P111.1 EP104.1 E95.1
	New rule: Materials include software licences where the licence cost is at apprentice level, and the licence is required to access off-the-job training materials.	New for version 1 P110.4 EP103.4 E94.4
Ineligible costs	Clarification: We have made clear that when we use the term brokerage here, we mean referral agents who secure employer and learner leads for providers. Other ESFA funding streams use the term brokerage to mean where a third-party matches, for a fee, a provider with an unused allocation with a provider that can secure enrolments of learners to utilise it.	P114.18 EP107.18 E98.18
Incentive payment for hiring a new apprentice from 1 August 2020 to 31 March 2021	New rule: From 1 August 2020: Employers will be eligible to receive an incentive payment for hiring a new apprentice for an apprenticeship start, if, at the start of the apprenticeship, the apprentice is a new employee. Employers will be required to sign a declaration confirming that they are a new employee when making a claim through the apprenticeship service.	P125 EP117- EP13 E107-E129
	Clarification: We have clarified the rules to reflect the position of maintained schools, connected companies and charities	New for version 1 P- EP118, EP120 EP122 and EP123.1 E108, E110 E112 and E113.1

	Clarification: We have clarified the rules to reflect the arrangements for those working under an alternative English apprenticeship.	New for version 1 P- EP121 E111
	Clarification: We have made it clear that employers must claim any incentive payments for hiring a new apprentice by the end of 30 April 2021.	New for version 1 P- EP126 E116
	Clarification: We have made it clear that for employers required to reserve funds on the apprenticeship service, the number of incentive payments they may claim is subject to the reservations available to them.	New for version 1 P- EP127 E117
	Clarification: We have made it clear that 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.	New for version 1 P- EP133 E123
	Clarification: We have clarified that when making a claim through the apprenticeship service, employers must declare that the apprentice is both a new employee, and eligible in accordance with the funding rules.	New for version 2 P - EP117 E107
	Clarification: We have clarified that to be eligible for an incentive payment, the apprentice must not have had a contract of employment with the employer within the six months up to but not including 1 August 2020.	New for version 2 P- EP118.2 E108.2
	Clarification: We have clarified that the apprenticeship agreement must contain a practical period start date between 1 August 2020 and 31 January 2021 inclusive.	New for version 2 P- EP118.3 E108.3
	Clarification: We have clarified that employers will be eligible for an incentive payment for all individuals progressing from the Kickstart Scheme to an apprenticeship regardless of their employment history as long as they start the practical period of their apprenticeship on a date up to and including 31 January 2021.	New for version 2 P- EP119 E109
	Clarification: We have clarified that 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.	New for version 2 P- EP131 E121
	Clarification: We have made it clear that 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 the employer, if we are satisfied that there has been a breach of the funding rules.	New for version 2 P- EP137 E126

	Clarification: We have clarified the evidence requirements for the employer incentive payment to reflect clarifications made in the associated funding rules.	New for version 2 P- EP385 E129
	Clarification: We have clarified that all employers must use the apprenticeship service to both access funding for the apprentice's training and claim the incentive payment.	New for version 3 P125 EP- E-
	New rules: We have reflected that the eligibility period for the incentive payment for hiring a new apprentice has been extended until 31 March 2021.	New for version 3 P- EP118.1, EP118.3, EP121 and EP123.1 E107.1, E107.3, E111 and E113.1
	New rule: To reflect that the eligibility period for the incentive payment for hiring a new apprentice has been extended to those starting the practical period of their apprenticeship up to and including 31 May 2021.	New for version 5 P- EP118.3 E108.3
	New rule: To reflect that employers must claim any incentive payments for hiring a new apprentice by the end of 31 May 2021.	New for version 5 P- EP126 E116
Incentive payment for hiring a new apprentice from 1 April 2021 to 30 September 2021	New rules: From 1 April 2021, employers will be eligible to receive an incentive payment for hiring a new apprentice for an apprenticeship start, if, at the start of the apprenticeship, the apprentice is a new employee. Employers will be required to sign a declaration confirming that they are a new employee when making a claim through the apprenticeship service. This will include entering the apprentice's employment start date.	New for version 5 P- EP137 to EP156 E130 to E152

Support for English and maths training	Restructure: We have temporarily removed the English and maths flow chart as it does not reflect the temporary suspension of the requirement for L2 apprentices to take the level 2 test.	This change is now obsolete
	New rule: A box to highlight that the rule requiring level 2 apprentices to study towards, and attempt, the functional skills assessments at level 2 is temporarily suspended until December 2020.	This change is now obsolete
	New content: We have reinstated the English and maths flow chart to reflect the temporary suspension of the requirement for L2 apprentices to take the level 2 test.	New for version 2
	New rule: The box highlights that the rule requiring level 2 apprentices to study towards, and attempt, the functional skills assessments at level 2 has been temporarily suspended and this suspension has now been extended until 31 March 2021.	New for version 2
	New rules: To reflect that from 25 February 2021, where necessary, eligible apprentices can take their end-point assessments before achieving their functional skills qualifications. This is a temporary measure to enable apprentices to progress with their apprenticeship until such time that they can take a functional skills assessment. The flexibility applies until 31 May 2021.	New for version 4 P160 to P170 EP185 to EP195 E181 to E191
	New rule: The box highlights that the rule requiring level 2 apprentices to study towards, and attempt, the functional skills assessments at level 2 has been temporarily suspended and this suspension has now been extended until 31 July 2021.	New for version 5
	New content: We have updated the English and maths flow chart to reflect the extension to the temporary suspension of the requirement for L2 apprentices to take the level 2 test.	New for version 5
End-point assessment	New rule: To update this section to reflect the new secondary legislation relating to redundancy which came into force on 15 October 2020.	New for version 2 P173.3 EP198.3 E194.3
	New rule: To reflect that eligible apprentices can take their end-point assessments before achieving their functional skills qualifications. You must inform the end-point assessment organisation of eligible apprentices this will apply to.	New for version 4 P174 EP199 E195

Contracting and subcontracting	New rules: A rationale for subcontracting must be published by 31 October 2020.	New for version 1 P190 to 191 EP- E207-E209
	New rule: Main providers must not enter into any agreement for brokerage.	New for version 1 P210 EP- E-
	New rule: Where relevant, a copy of the external auditor's final report must be sent to ESFA.	New for version 1 P212.1 EP227.1 E-
Paying for an apprenticeship	New rule: To allow employer-providers to support apprentices they have made redundant (this applies to any redundancy on or after 1 August 2020).	New for version 2 P- EP241 E-
Reservations of funds by non-levy employers	New rule: To support apprentices who have been made redundant, a reservation can now be used by employers (or providers on their behalf) to reserve funds for an apprentice who was made redundant by their previous employer and where the apprenticeship was originally funded via contracted provision.	New for version 3 P254.1 EP269.1 E251.1
	New rule: To support apprentices following the failure of their provider, a reservation can now be used by employers (or providers on their behalf) to reserve funds for an apprentice who had to change provider where their apprenticeship was originally funded via contracted provision.	New for version 3 P254.2 EP269.2 E251.2
	New rule: Reservations can now be used for re-starts where an apprenticeship was funded via contracted provision and following redundancy or provider failure the apprentice needs to continue/complete their apprenticeship.	New for version 3 P258 EP273 E255
Apprenticeships funded by transfers of levy funds	Clarification: We have clarified that connected companies (to the sending employer) are not able to deliver training to the transfer funded apprentice.	P276 EP- E282
	New rule: To clarify that the receiving employer is solely responsible and liable for the transfer funded apprenticeship.	P282 EP303 / EP307 E285 / E289
	Clarification: To reflect that from 1 April 2021, all new apprentices with both levy and non-levy paying employers must be funded through the apprenticeship service. For non-levy paying employers this will either be via reserved funds or a transfer of levy funds.	New for version 5 P280 EP309 E291, E293

Certification	New rule: The end-point assessment organisation must not claim the apprenticeship completion certificate from ESFA until they have received evidence from the provider that the apprentice has met all the requirements of the apprenticeship including English and maths.	New for version 4 P285 EP317 E-
	Clarification: To reflect that end-point assessment organisations are responsible for claiming the apprenticeship completion certificate from ESFA, including for those apprentices who are not funded by ESFA and recorded in the ILR under Funding Model 99.	New for version 5 P285 EP316 E-
Change of circumstance	Clarification: If an apprentice's employment is terminated, the individual can continue with their apprenticeship where the break in employment has been 30 days or less. Where a new employer is found and employment starts within 30 days, this must be managed using a withdrawal and restart to ensure funds are not paid when the apprentice is not employed.	P290 EP321 E303 This change is now obsolete
	Clarification: For changes of employer – the apprentices will retain eligibility and will not have to meet minimum duration rules for their restarted portion alone.	New for version 1 P290 EP- E-
	New rule: (replaces existing rules from 1 August 2020). 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) and new employment has commenced within 30 days we do not expect a withdrawal to be recorded.	New for version 2 P290 EP321 E303
Redundancy	New policy: New requirement on employer-providers to make reasonable efforts to find the apprentice a new employer. This is to make it consistent with apprentices employed by non employer-providers (their provider makes efforts to secure new employment).	P- EP334 E-
	New policy: New requirement to provide the apprentice with a 'record for part completion of an apprenticeship'.	P305.9 EP335 E-
	New rules: Redundancy section has been added to support an employer's conversation with an apprentice who may be facing redundancy.	New for version 2 P- EP- E314-E317
	New rules: To allow employer-providers to support apprentices they have made redundant (this	New for version 2 P- EP334-EP337

	applies to any redundancy on or after 1 August 2020).	E-
	New rules: To update this section to reflect the new secondary legislation relating to redundancy, which came into force on 15 October 2020.	New for version 2 P304-P307 EP334-EP337 E314-E317
	New rules: New requirement to record the withdrawal reason as redundancy.	New for version 2 P305.8, P307.8 EP335.7, EP337.7 E315.8, E317.8
	Clarification: 'Record for part-completion of an apprenticeship' is now 'Record of apprenticeship part-completion'.	New for version 2 P305.9, P307.9 EP335.8, EP337.8 E315.9, E317.9
	New content: Redundancy flowchart added.	New for version 2
Maternity, adoption and shared parental leave	New rules: New section - this policy was announced earlier this year. Since the clarification version we have added information relating to the policy intent, how breaks in learning would work and how much off-the-job training can be recorded	New for version 1 P308 to P321 EP341 to EP351 E318 to E331
Summary of action following a change of circumstance	New rules: As an employer-provider, you can only train your own staff and therefore when you make an apprentice redundant, they can no longer be trained by you. As training cannot take place no further funding will be awarded unless register of apprenticeship training providers as a main provider.	P- EP361 to EP363 E- This change is now obsolete
	New rules: Summary of actions added to confirm the action to take where the apprentice is using KIT/SPLIT days to continue off-the-job training during a period of maternity/adoption/shared parental leave.	New for version 1 P324 to P325 EP353 E334 to E335
	New rules: 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)	New for version 1 P326 to P329 EP354 to EP357 E336 to E339
	New rules: Summary of actions added to confirm the action to take where the apprentice changes employer but continues the same apprenticeship with the same main provider, where there is a break in employment of 30 days or longer.	New for version 1 P339 to P341 EP - E348 to E350
	New rules: To allow employer-providers to support apprentices they have made redundant (this applies to any redundancy on or after 1 August 2020).	New for version 2 P- EP364-EP367 E-
	New rules: To update this section to reflect the new secondary legislation relating to redundancy, which came into force on 15 October 2020.	New for version 2 P342-P345 EP364-EP367

		E351-E354
ESF (European Social Fund) match funding requirements	Clarification: to reflect the requirement to display at least one poster with information about the project at a location readily visible to the public.	P346.1 EP- E-
Evidence Pack (Programme Eligibility)	Restructure: We have added in sub-titles to break up the information in this section. We have also duplicated relevant evidence requirements that appear in the main body of the funding rules into this section.	P354 to P359 EP373 to EP378 E-
	Clarification: Confirmation for redundancy funding support we must have a copy of the dismissal notice from the employer, stating the reason for dismissal as redundancy.	P356.1 EP375.1 E-
	New rule: New requirement to evidence actual off-the-job training hours delivered, on the ILR.	P359.4 EP378.4 E-
	New rule: New requirement to have a statement signed by the employer and apprentice where planned and actual off-the-job training hours do not match.	P359.5 EP378.5 E-
	Clarification: Removal of the word 'occupation' to align this section with the revised apprenticeship agreement template on gov.uk.	New for version 2 P355.1.1 EP374.1.1 E-
	Clarification: To clarify the evidence that would be acceptable for a redundant apprentice.	New for version 2 P356.1 EP375.1 E-
Evidence Pack (Additional Payments - Incentive payments for hiring a new apprentice)	New rules: Evidence requirements for incentive payments for hiring a new apprentice.	P – EP385 E127 to E129
Evidence Pack (Additional Payments - Incentive payments for hiring a new apprentice)	New rules: Evidence requirements for incentive payments for hiring a new apprentice – 1 April 2021 to 30 September 2021	New for version 5 P- EP385 E-
Evidence Pack (Support for English and maths)	New rules: To reflect the evidence requirements where an apprentice is taking their end-point assessment before achieving the required functional skills qualification under the temporary flexibility until May 2021.	New for version 4 P369 EP387 E-
Evidence Pack (paying for an apprenticeship)	Clarification: We have removed the requirement for the provider to keep a copy of the receipt for transferred levy funds as the transfer connection is	New for version 2 P370.3 EP388.2 E -

	made between the sending and receiving employers.	
Evidence Pack (Change of Circumstances – Redundancy)	Clarification: Confirmation for redundancy funding support we must have a copy of the dismissal notice from the employer, stating the reason for dismissal as redundancy.	P373.1 EP391.1 E-
	New rule: Evidence that the employer provider has made reasonable efforts to find the apprentice a new employer.	P- EP391.2 E-
	New rule: New requirement to have a 'record of achievement for part completion of an apprenticeship' as a condition of the 12 weeks additional funding.	P373.3 EP391.3 E-
	Clarification: To clarify the evidence that would be acceptable for a redundant apprentice.	New for version 2 P373.1 EP391.1 E
	New rules: New requirement to record the withdrawal reason as redundancy.	New for version 2 P373.3 EP391.3 E-
	Clarification: 'Record for part-completion of an apprenticeship' is now 'Record of apprenticeship part-completion'.	New for version 2 P373.3 EP391.3 E-
Evidence Pack (Change of Circumstances – Maternity etc)	New rule: Where the apprentice is using KIT/SPLIT days to continue off-the-job training, a statement must be included in the evidence pack.	P374.1 EP392.1 E-
Annex A: Eligibility criteria (who we fund)	New rule: An exception has been added to allow individuals of other nationalities serving as members of the British armed forces to be eligible for funding throughout their period of service.	New for version 3 P405.2 EP423.2 E343.2
Glossary	New content: New terms have been added to the glossary.	-