

# Apprenticeship

## 2010/11 Funding Requirements

July 2010

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## Section 1 - Executive Summary

1. This document sets out the way in which the Skills Funding Agency (the Agency) will fund Apprenticeships within Employer Responsive provision 2010/11 including funding Apprenticeship provision on behalf of the National Apprenticeship Service. It builds on previous funding guidance from the Learning and Skills Council (LSC) from which it assumed responsibility in April 2010 for the funding of Employer Responsive provision.
2. These requirements change significantly the guidance previously issued in 2008/09 and 2009/10 by the LSC as there have been changes in policy which are being introduced in 2010/11. These changes have been announced in the Skills Investment Strategy 2010-11 and the Skills Funding Agency Guidance Notes, which can be found at <http://skillsfundingagency.bis.gov.uk/providers/allthelatest/guidancenotes/>. The requirements have been redesigned to follow the learner journey to aid clarity and ease of use. This has meant that additional material has been included which may have been published separately from the main funding guidance such as audit and compliance guidance.
3. Section 6.1 lists the major changes to funding of Apprenticeships in 2010/11.
4. In order to aid clarity and in response to feedback from providers the Requirements for Funding Employer Responsive provision has been split into two separate documents covering Apprenticeships and Train to Gain. This does lead to several sections being duplicated in each document where there is commonality between Apprenticeships and Train to Gain.
5. Additionally the Funding Requirements has been edited to reduced ambiguity. We have tried wherever possible to remove sections where the guidance stated that providers 'should' or 'could'. In doing so we have also ensured that where it is a mandatory requirement for a provider that it is referred to as 'must'. This change was at the request of both external and internal groups in order to aid clarity.

## Section 2 - Introduction

6. All providers that receive Employer Responsive funding from the Agency for their provision are required to comply with these requirements.
7. This document forms part of the Contract/Funding Agreement between the provider and the Chief Executive of Skills Funding in the delivery of Employer Responsive provision. It can only be varied in writing by the Chief Executive of Skills Funding or by those that are authorised to do so. Any amendment to these requirements will explicitly state that it has that authority.
8. To simplify these requirements the single term 'providers' will be used instead of a constant reference to schools, colleges and training organisations. The individual type(s) will only be used where the requirements apply only to that specific type(s) of provider.
9. The Agency uses a convention to indicate financial and funding years. For financial years, April to March, they will be in the format as 2010-11. For funding years, August to July, we use the format 2010/11. The term 'academic' year may be used as interchangeable with 'funding' year in the Employer Responsive Model.
10. Definitions of the terms used in this document are set out in section 13 Acronyms and Glossary.

### Section 3 - Funding Priorities for 2010/11

11. The Minister of State for Further Education, Skills and Lifelong Learning, John Hayes, wrote to the Chief Executive of the Skills Funding Agency on 17 June 2010 setting out the priorities for 2010/11 for the Skills Funding Agency. These were:
  - Our ambition to create a dynamic economy requires people to learn new skills that enhance their job prospects, enrich their lives, and enliven their communities, where empowered informed learners drive the system;
  - Our commitment to continuing investment in colleges and training organisations, recognising the excellence you have achieved and the critical role you play in building our economic future; and
  - Our mission to remove unnecessary regulation and bureaucracy, freeing you from the constraints that impact on your ability to respond flexibly to the changing needs of your local economy and local community, and leading to a more responsive system overall, while ensuring rigorous accountability.
12. In addition the letter went on to say that
  - Our goals include an increased focus on high quality Apprenticeships to meet employers' and individuals' needs
  - on funding a wide range of different routes into further and higher education to help prospective learners get into, and
  - reap the benefits of, education and make a successful transition into working life.
13. The full letter can be accessed on the BIS website at <http://www.bis.gov.uk/assets/biscore/corporate/docs/f/fe-letter-john-hayes-2010.pdf>.

## Section 4 - Principles of Funding Learning

14. The overall funding provided to providers must reflect the directly incurred costs of efficiently delivered provision (with an appropriate contribution to overheads) within the national funding framework and rates.
15. The rate given for a single qualification will be informed by a variety of factors
  - Activity costing research
  - Information from Sector Skills Councils, Sector Bodies and Awarding Organisations
  - ILR data
  - Other information sources, such as OfQual
16. All the Agency-funded providers must:
  - consider costs of delivering provision and assessment in the workplace (together with any associated glh) as the key driver of costs incurred when determining the level of funding claimed in the employer-responsive funding model
  - where it is recognised that the cost of delivery to learners is significantly below the funding rate that the provider takes steps, including the use of ILR field A51a, in order to redress the funding claimed. See section 4.0.2.
  - ensure that duplication of provision in a learner's programme of study is avoided and, if this occurs because of an overlap in learning aim content, adjust the funding claimed to reflect the degree of overlap
  - discuss with the Agency what funding must be claimed in circumstances where the calculation of funding to be claimed results in a level of funding that is clearly well in excess of the costs incurred
  - not claim Agency funding for any part of any learner's programme of study that duplicates that received from any other source, for example, a different Agency funding stream, YPLA, their employer or Higher Education Funding Council for England (HEFCE)
  - prioritise the delivery of QCF provision in the interim period to 31 December 2010 where both NQF and QCF equivalent may be available and begin to switch to QCF provision as soon as the QCF offer becomes available for delivery and confirmed for funding
  - only claim funding for learners assessed as eligible for the Agency funding as stated in these requirements and the companion document Skills Funding Agency/YPLA Learner Eligibility Guidance.

17. To ensure that the costs of efficiently delivered provision are reflected in the national SLN values and in national rates, the Agency gathers and reviews the evidence available that relates to such costs. This includes information from the ILR and quantitative research projects.

#### **4.0.1 Prior learning and achievement**

18. The funding arrangements for learners with prior learning and/or achievement have been reviewed in light of the implementation of the QCF. This will bring together previous guidance on accreditation of prior experience and learning and exemption.
19. The Agency expects to support effective and efficient delivery, which includes maximising opportunities to build on prior learning and/or achievement when agreeing a learner's programme. Note that a reduction in funding will be required where there is a reduced burden to the learner and cost to the provider.
20. Where exemption and credit transfer are used toward the partial or full completion of a qualification the Agency would not expect to fund the relevant proportion of the qualification, as no learning is required. Where a qualification has been partially achieved through exemption or credit transfer a reduction in funding is required.
21. The recognition of prior learning (RPL – formerly referred to as the accreditation of prior experience and learning, APEL) is a method of assessment leading to the award of a qualification, or in the context of the QCF, the award of credit as well. RPL considers whether a learner can demonstrate that they can meet the assessment requirements for a unit or qualification through knowledge, understanding or skills they already possess and do not need to develop through a formal course of learning.
22. RPL provides an alternative route to formal learning programmes for learners to achieve the learning, skills or competences required for the award of a qualification or credit. RPL is an alternative route to recognition and not a shortcut. RPL must therefore be an integrated part of a quality-assured assessment process.
23. The Agency will not fund full certification by RPL. Some structured learning must be required.
24. Literacy and numeracy provision will only be funded where evidence of the learner's skill need has been evidenced by undertaking robust assessment.

#### **4.0.2 Proportioning of funding using ILR field A51a**

25. In setting rates the Agency uses a wide range of information. This leads to a rate being set for a typical learner. It is recognised that in practice most costs of learning will fall within a range around that rate and in practice these differences will cancel each other out. However, where the costs are

significantly different then the use of ILR field A51a must be used to adjust funding claimed. This will only come into affect where costs are below the published rate as ILR field A51a can only be used to reduce funding. Where the provider finds that the rate is below the cost of delivery the provider should make representations to the Awarding Body and the Agency so that further research can be conducted to investigate the issue raised.

26. Some learners will start learning aims having already attained some parts of the learning aim, mostly through RPL, exemption or credit transfers. This information would be found during a learner's initial assessment, a vital part of funding requirements. The funding of these learning aims will need to be proportionally reduced using ILR field A51a.
27. It must also be used where the learner progresses onto a higher level qualification from a lower level qualification and there is commonality between the two qualifications. This is usually referred to as 'nesting' and occurs where the higher level of qualification has elements which are extensions of competence of the lower level. The Agency may publish specific reductions in funding for certain sectors or qualifications. However, it is the provider's responsibility to ensure that this is taken into account when funds are claimed.
28. ILR field A51a must be used to reduce the funding for a learning aim that does not require the full level of expected input due to prior learning, exemption or achievement. It is not intended to be used for learners who simply progress through learning aims quicker than other learners.
29. Where part of a learning aim has been achieved through exemption or credit transfer the proportion of the assessment required for the achievement of the learning aim must be reduced. Funding must only be claimed for the proportion of delivery required for the achievement of the learning aim.
30. For QCF learning aims, the value used in ILR field A51a must be calculated using the remaining planned credit to achieve the learning aim, then divided by the credit value of the learning aim recorded on the LAD.
31. ILR field A51a is only used to reduce the amount of funding paid in instalments and does not reduce the achievement element. For example, for funding of a competency qualification to be reduced to 50% the instalments need to be reduced to 25% as the achievement element is 25%. Therefore a value of 33 will be needed put in ILR field A51a to reduce the instalment funding (75%) to 25%.
32. Providers should use their professional judgement when calculating the value of funding to be claimed. They must be able to evidence the validity of the calculation in a rationale manner. This not only includes new learners but also those learners who transfer from another provider. Providers should ensure that they have appropriate processes and controls in order to evidence any judgement made.

## Section 5 - Employer Responsive Model Description

33. The scope of the employer-responsive model is Apprenticeships and Train to Gain.
34. Apprenticeships include all ages (16-18, 19-24 and 25+) of Apprenticeships, Advanced Apprenticeships and Higher Apprenticeships. This also includes Programme-led apprentices (PLAs) who are non-employed learners following a full Apprenticeship framework, subject to eligibility changes in 2010/11. The Agency will fund providers for Apprenticeship delivery on behalf of the National Apprenticeship Service.
35. Train to Gain includes all provision wholly delivered on employer premises including all Skills for Life, that is not an Apprenticeship, to learners aged 19 years or greater. The range of qualification that can be delivered under Train to Gain can be found at <http://qcf.skillsfundingagency.bis.gov.uk/qcf-funding/confirmationfunding/>.
36. The 16–18 Apprenticeship provision will have a separate budget within the employer-responsive model. The provision will be planned and managed by the National Apprenticeship Service and funding will be calculated and paid using the Employer Responsive Model.

### 5.0.1 Funding principles

37. In the Employer Responsive Model each aim has a listed value.
38. An Apprenticeship is a framework of qualifications as approved by the relevant Issuing Authority. The elements of an Apprenticeship are usually a competency qualification, a knowledge based qualification and a range of Functional/Key Skills. The *Specification of Apprenticeship Standards for England (SASE)* sets out proposals for delivering high quality Apprenticeship programmes that provide individuals and employers with the skills for future success. See <http://www.apprenticeships.org.uk/About-Us/SASE.aspx>.
39. The funding values of all qualifications are listed in the Learning Aims Database <http://providers.lsc.gov.uk/lad/default.asp>. The fact that qualifications are listed on the Learning Aims Database does not infer that the Agency will fund them.
40. A proportion of funding is held back and is only paid to providers on achievement by the learner. This value is defined as the achievement element.
41. For Apprenticeships, the achievement element is paid based on achievement of the whole Apprenticeship framework. The achievement element is 25% of the value of the Main Aim. Knowledge based

qualifications and Functional/Key Skills do not have an achievement element and are paid in full by monthly instalments. Where an Integrated Qualification, that is a combination of competency and knowledge, is delivered then an achievement element will be applied.

42. In Train to Gain, the achievement element of 25% for each aim is paid as each aim is achieved.
43. It is expected that most learning will take place on employer premises. However this does not preclude appropriate aims – such as knowledge based qualifications, Functional/Key Skills and Skills for Life qualifications – being delivered at a provider location as appropriate.
44. An Area Uplift based on the location of learning and skills delivery is added to the value of each aim. The Area Uplift is a percentage uplift and is applied to learning that takes place in London and the South East of England to acknowledge the greater costs of delivery in these areas. It must be based on where the learner is employed for aims delivered in the workplace. It is calculated from the postcode in ILR field A23. Where employment means that the learner location changes due to the nature of work, for example construction, the first location used for structured learning must be used.
45. Disadvantage Uplift is applied to all Apprenticeship rates and is based on the learner's home postcode, ILR field L17. It is similar to the Area Uplift in that it adds a percentage to the overall rate. It is only applicable for learners who are following an Apprenticeship framework and not Train to Gain. The special arrangements for security of Ministry of Defence (MoD) learners will continue – that is, the postcode of the base where they are first stationed is treated as the learner's home postcode.
46. A learner who is expected to be in learning for more than 24 weeks, but who leaves without achieving their aim and without having completed six full weeks in learning, counted from the start date, will not be funded. Any funds paid to a provider in respect of these learners will be reclaimed from future payments. If a learner is expected to be in learning for less than 24 full weeks, the qualifying period for payment is two full weeks. Where the expected length of stay is less than two weeks then the qualifying period is one 'episode' of learning.

<b>Learning/ aim planned length</b>	<b>Minimum in learning for funding</b>
Greater or equal to 24 weeks (168 days)	6 weeks (42 days)
2 to 24 weeks (14 to 167 days)	2 weeks (14 days)
Less than 2 weeks (13 days)	1 learning engagement

47. All apprentices who start on their 19<sup>th</sup> birthday or later will be funded at a co-funded rate and there will be an expected employer contribution towards the costs of their learning. The exception to this is for those learners who qualify for enhanced funding based on specific characteristics.

48. A Train to Gain learner will be fully funded if they are completing their first Level 2 qualification, first Level 3 qualification if aged 19 to 24 years old or Skills for Life qualification, excluding English for Speakers of Other Languages (ESOL). Other qualifications, such as an additional Level 2 or Level 3, a first Level 3 if aged over 25 years of age or a Level 4 or higher qualification are subject to eligibility and an expected employer contribution.

### **5.0.2 Payment principles**

49. Payments made to colleges will be made on profile and reconciled against actual delivery at year end.
50. All payments made to non-college providers will be monthly in arrears, and will be based on actual delivery of aims. These payments are the cumulative payments for each aim based on a proportion paid each month that the learner is expected to remain in learning and are based on the actual start date and the expected achievement date as specified in the ILR.
51. In addition to funding being calculated through ILR data non-formula funding captured on the Training Provider Statement will also be paid in arrears.

### **5.0.3 Links between funding and quality**

52. To drive the elimination of poor-quality provision we introduced an analysis of success rates against Minimum Levels of Performance (MLPs). These, together with OfSTED inspection assessments, mean that we are fully informed when we reach decisions regarding allocations. For Apprenticeships, the minimum standard the Agency will fund is defined by these MLPs.
53. MLPs will be reviewed annually. Provision must improve ahead of these rises to remain fundable. Just meeting the MLP does not guarantee funding, as the Agency will seek to procure the best possible quality of provision.
54. The Framework for Excellence has been introduced to help providers strive for excellence. Restrictions may also apply whenever inspection reveals provision to be less than satisfactory. Further guidance can be found at <http://ffe.skillsfundingagency.bis.gov.uk/>.
55. The employer-responsive model supports the commitment to improving provision across the whole of the FE system. We have set a Minimum Level of Performance in the Qualification Success Rate (QSR) for Train to Gain of 65% and Apprenticeships of 50%. This will enable us to have robust discussions with providers about their performance. We believe that it is important to send clear signals to employers and to the FE system about our commitment to ensuring high-quality provision across this service.

### **5.0.4 Additional learning support**

56. Additional Learning Support (ALS) will be made available to support learning as applicable.
57. The LSC during 2009/10 introduced changes to ALS with the way in which Exceptional Learning Support would be used. The Agency will continue to review the use of ALS in the Employer Responsive Model in order to best serve those learners who need further help.
58. Learners who require Additional Learning Support in excess of £19,000, termed 'high-cost' ALS, will be considered for support on a case-by-case basis.

#### **5.0.5 Age and eligibility**

59. All learners have to be eligible for funding. Details can be found in the Skills Funding Agency/YPLA Learner Eligibility Guidance 2010/11. This guidance details whether an individual is eligible for public funding <http://readingroom.ypla.gov.uk/ypla/agency-leg2010-11-version1aon12-04-2010.pdf>.
60. Specific eligibility guidance for the Apprenticeship can be found in Section 6.

#### **5.0.6 Audit implications**

61. Linking payment direct to delivery volumes means that audit work will be needed to validate returns made to the Agency. The preferred option, which has been discussed in principle with the National Audit Office, is a risk-based approach. In practice, this means risk-assessing providers and carrying out funding-audit visits to those that are identified as higher risk. Low-risk institutions would receive a light touch, with less frequent audit visits.

#### **5.0.7 Data and payments**

62. An informed judgement relies on the accuracy and timeliness of data. During 2010/11 the Agency will, as part of its contract management, monitor each provider's data returns. There is significant concern that starts, achievements and leavers are not being reported in a timely manner.
63. In an ideal world, data on learner activity would be sent to the Agency as soon as it happens. However, it is accepted that does not happen for a number of reasons. Qualifications may not be listed on the LAD, data may be collected from several sources within an organisation or a range of sub-contracting organisations. Quality assurance process may well come into play in ensuring that data is correct and validated. Processes, internal to an organisation, may slow the data gathering function. However, we expect that providers will control their information management so that data is made available as soon as possible to the Agency. Where circumstances are outside of the provider's control this will also be taken into account.

64. In 2010/11 the Agency has agreed with the Information Authority a Standard by which data will need to be reported. Starts data must be reported within two reporting months and for leavers/achievers within three reporting months.

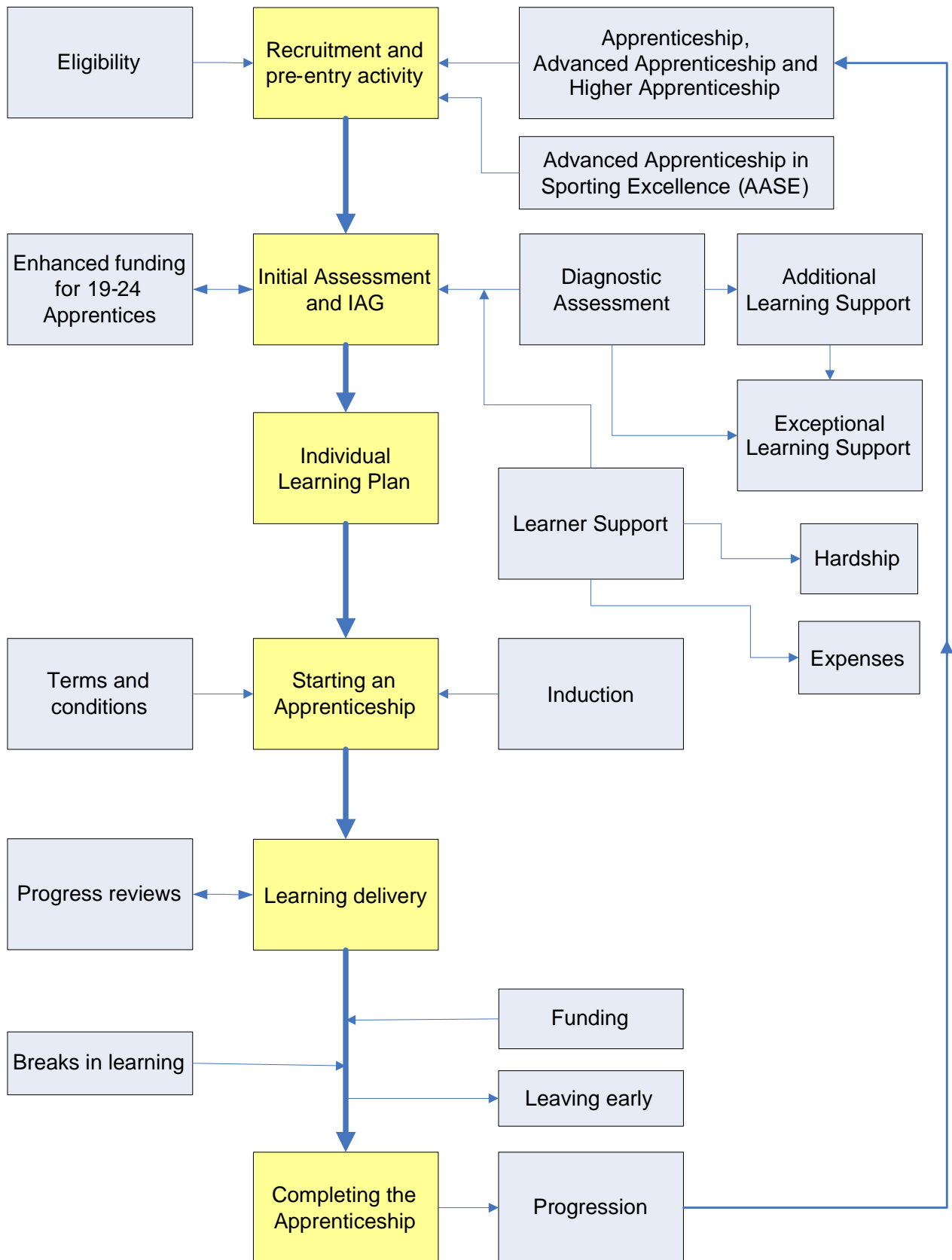
Data	Reported by	Example
Start	Within 2 reporting months*	Learner starts on 5 August 2009. This must be reported in either months 1 or 2 i.e. before the end of September 2009 in the data collection which closes on 4 <sup>th</sup> working day of October
Achievement	Within 3 reporting months*	Learner Achieves on 15 August 2009. This must be reported in either months 1,2 or 3 i.e. before the end of October 2009 in the data collection which closes on 4 <sup>th</sup> working day of November
Leavers/withdrawals	Within 3 reporting months*	Learner leaves on 15 <sup>th</sup> August 2009. This must be reported in either months 1, 2 or 3 i.e. before the end of October 2009 in the data collection which closes on 4 <sup>th</sup> working day of November

\*includes the month in which the activity takes place.

It must be noted that these are the maximum time for reporting activity and that the Skills Funding Agency will expect that the majority of activity will be reported within the same reporting month.

65. The Agency will, if significant improvement is not made in respect to data timeliness in 2010/11 compared to 2009/10, investigate measures that could be implemented in 2011/12 so that late data reporting will result in funding not being paid for late reported data.
66. Further information about ILR data and data submissions can be found on the Information Authority website <http://www.theia.org.uk/> and the Data Service Website <http://www.thedataservice.org.uk/>.

## Section 6 Apprenticeships – The Learner Journey



## Section 6 - Apprenticeships

### 6.1 Funding policy changes

67. The following changes are highlighted

<b>Change</b>	<b>Section</b>
Additional Learning Support rates	7.1.18
Apprenticeship Agreements	6.16
Apprenticeship Completion certificates	6.24
Breaks in learning	6.22
Employer contribution	6.9.2
Enhanced funding for 19-24 apprentices	6.8
Functional Skills	6.2
Inappropriate behaviour	6.28
Large employer rate	6.9.1
Learner Support	7.3
National Minimum Wage	6.27.2
National rates	6.9
Part time apprentices	6.5
Programme-led apprentices (non-employed status)	6.7
Transitional Funding Arrangements	6.9.3

### 6.2 Policy Aims

68. Apprentices learn on the job, building up knowledge and skills, gaining qualifications and earning money all at the same time. They work towards work-based nationally recognised qualifications.
69. The content of each Apprenticeship, known as a framework, is designed by Sector Skills Councils, Sector Bodies and their employers and comprises of:
- A competence based element
  - A knowledge based element
  - Transferable or 'Functional/Key' skills
  - Employment rights and responsibilities (ERR)
  - Personal Learning and Thinking Skills (from April 2011).
70. The Specification of Apprenticeship Standards for England (SASE) sets out the minimum requirements to be included in a recognised English

Apprenticeship framework. Compliance with the SASE will be a statutory requirement of the Apprenticeships as set out in the Skills, Children and Learning (ASCL) Act. SASE is issued on a non-statutory basis for information, see <http://www.apprenticeships.org.uk/About-Us/SASE.aspx>. The final version of the SASE will be available from autumn 2010 and will take effect from April 2011.

71. An employer or provider may add additional elements or enhancements to a Framework but these will not be funded.
72. Each Framework will list the exact qualifications and level that make up an Apprenticeship. Only those listed as mandatory are funded and all mandatory qualifications must be achieved in order to achieve the Apprenticeship Framework. The only variation to this is that a higher level of the mandatory Key Skills or Functional Skills can be delivered, where appropriate, and is funded. This may be where the learner already has achieved the level of Key Skills or Functional Skills required and wishes to follow a higher level. Funding will not be paid for progression from one level to another in the same Framework.
73. Nearly all Frameworks allow flexibility between Awarding Organisations in the qualifications allowed. However, there are a few frameworks that have a combination of different pathways based on roles with their sector. The frameworks that contain pathways will stipulate which combination of competency and knowledge based elements have to be delivered together in order to achieve the Apprenticeship.
74. From April 2011 the Key Skill in Communication, Application of Number and ICT (Level 1 and Level 2) qualifications in an Apprenticeship framework will be replaced by Functional Skills in English, Mathematics and ICT (Level 1 and Level 2). A transitional period from September 2010 to March 2011, where both Key Skills and Functional Skills will run along side each other, in order to smoothly introduce this change. It is not intended that learners who started before this change have to now switch from Key Skills to Functional Skills unless this is appropriate. No additional funding will be made available if this happens.

### 6.3 Recruitment Priorities

75. The priority groups identified for access to Apprenticeships funding are:
  - All young people aged 16-18
  - All young people and adults that are not in education, employment or training between the ages of 16 and 24
  - Adults over the age of 19 that wish to undertake an Advanced Apprenticeship
  - Adults over the age of 19 returning to the labour market

### 6.4 Age

76. Learners in the Employer Responsive Model are defined by their actual age at the time of starting their programme of learning. For an apprentice this is their age when they start a framework, even if elements of their framework are only started after they have become either 19 or 25 years of age.
77. Learners who progress on or change to another framework either at the same level or higher then the funding associated with that learning is based on their age when they start the new framework and not the age that they originally started learning.

## 6.5 Eligibility to Apprenticeship funding

78. Learner eligibility to public funds is covered in detail in the Skills Funding Agency/YPLA Learner Eligibility Guidance 2010/11 document  
<http://readingroom.ypla.gov.uk/ypla/agency-leg2010-11-version1aon12-04-2010.pdf>.
79. Additionally to the Learner Eligibility Guidance all apprentices have to satisfy the following,
  - Not in full-time education and
  - Be aged 16 years old or older on the 31st August in the funding year in which they start their Apprenticeship and
  - Start their Apprenticeship after the last Friday in June in the funding year in which they become aged 16 years old.
80. Learners from outside of England whose compulsory school leaving arrangements are different will have to comply with regulations as they apply in England, even if technically they have already left school in their 'home' country.
81. In preparation for the introduction of the clauses in the ACSL Act which requires all Apprentices to be employed, from 1<sup>st</sup> August 2010 to 31<sup>st</sup> March 2011 all new Apprenticeship starts, where the learner is not employed, will have 6 months from their start date in which to become employed. If the apprentice is not employed at the end of that 6 month period then they must be withdrawn from the Apprenticeship. However, there has been a temporary flexibility agreed that is detailed in section 6.7 for those aged 16-24, most vulnerable and potential NEET.
82. From April 2011 all new starts on an Apprenticeship must already be employed or start employment on the first day on which they start their Apprenticeship. The employment must relate to the Apprenticeship framework being followed.
83. Employment must be for 16 hours per week or more, although it is expected that this will be greater than 30 hours per week. Individuals with an irregular working pattern should be viewed using a four week average. It is no longer required that permission is obtained from the Agency where a learner is

employed less than 30 hours but 16 hours or more and wishes to follow an Apprenticeship.

84. Anyone who has obtained a higher education qualification at Level 4 or above as defined on the NQF or QCF, including being awarded a first degree by a recognised university or other recognised higher education (HE) institution, is ineligible for Apprenticeship funding, except those who have participated in the New Deal.
85. As part of an employee's duty they may be required by their employer to undertake temporary work assignments outside of England. An apprentice that starts learning as part of an Apprenticeship in England and is defined as normally resident in England continues to eligible for funding whilst not in England. Arrangements must be made so that learning continues. If learning cannot continue then this must be treated as a break in learning or a leaver. In respect to MOD learners the rules on the length of the agreed break in learning do not apply where this is due to operational deployment.
86. Where learning starts in England with the intention of making the learner eligible before they go to work outside of England is deemed by the Agency as outside of funding eligibility and will not be funded.

## 6.6 Apprenticeship Framework Delivery

87. Providers must deliver learning that comprises all the elements of the current Apprenticeships framework document produced by the appropriate Issuing Authority, summaries of which can be found on the Apprenticeships website at [www.apprenticeships.org.uk](http://www.apprenticeships.org.uk).
88. Learners must follow an Apprenticeship, Advanced Apprenticeship or Higher Apprenticeship Framework that is current on the date of on which they start.
89. Learners will not be funded to repeat qualifications they have previously achieved. This includes qualifications that act as proxy or a concession. Further details on proxy qualifications can be found at <http://www.qcda.gov.uk/qualifications/6234.aspx>. However, where the learner fails to produce evidence of achievement, within 3 months, then they will have to re-take the qualification or take the appropriate qualification from the framework. The evidence required is that in order for the provider to apply for the Apprenticeship Completion Certificate. Where a learner has already achieved Key Skills or Functional Skills at the level set within the Apprenticeship Framework, then a higher level of Functional/Key Skill will be funded if chosen.

## 6.7 Programme-led Apprenticeships

90. In 2010/11 the eligibility of Apprenticeships is changing significantly. Prior to 2010/11 individuals who were not in employment were allowed to start an Apprenticeship with the view, although not mandatory, that they would

secure employment during that Apprenticeship. From April 2011 this will stop.

91. World Class Apprenticeships (WCA), published in January 2008, set out the policy intent on Programme-led Apprenticeships (PLAs) and this has been reflected in the development of the Apprenticeships, Skills, Children and Learning Act 2009 (the ASCL Act). This now provides a clear definition of what it means to complete an Apprenticeship. Under the terms of this Act, employment is an absolute cornerstone of an Apprenticeship.
92. This means that when the relevant part of the Act comes into effect from April 2011, the Skills Funding Agency will no longer be able to recognise or fund Programme-led Apprenticeships.
93. We are making provision to ensure that those individuals in existing PLAs, and for which the Agency has already contracted can continue to be funded by the Agency. This will provide some certainty for providers who are planning provision for the coming year whilst working with the Agency to manage down that provision in preparation for the changes.
94. The Agency will not fund any new PLAs after March 2011.
95. Therefore, in preparation for these changes, from August 2010 until March 2011, the Agency will only fund new Programme-led Apprenticeship provision where the programme-led element is for a absolute maximum period of six months. Where a learner secures employment within the six month period then the apprentice can continue to be funded by the Agency.
96. Agency funding must cease at the six month stage for any new PLA started between August 2010 and March 2011 where the apprentice is not in employment. The provider must withdraw the learner from the Apprenticeship.
97. However, the Agency and the National Apprenticeship Service are aware that for a handful of third sector providers these transition arrangements may mean some vulnerable learners (i.e. those currently NEET or learners with learning difficulties and disabilities) will not be able to participate in any form of learning as they are not able to take up places in FE or be guaranteed that an employed opportunity will be found within the required 6 months. To provide support for these learners during the transition period, the Agency and the National Apprenticeship Service will work with specified third sector organisations to agree exceptional arrangements that will enable this category of 16-18 learners to start a PLA without the automatic 6 month limit. Whilst this flexibility will be allowed in the form of deferring the 6 month cut off for starts up until the end of March 2011 we will expect these specified third sector organisations to continue to look at ways to move all learners into an Apprenticeship with employed status.
98. The arrangement to support the period of transition is temporary and does not change the new legal status and framework for employed Apprenticeships that comes into force from April 2011. These exceptions will be agreed between the Agency, the National Apprenticeship Service and

each specified third sector organisation on a case by case basis where it is clear the short term interests of young people will be put at risk where no alternative provision is available. Providers will already be discussing their plans to manage the transition from PLAs into employed status Apprenticeships and the Agency will work with these organisations where it has already been identified there are young people requiring further support. As agreed with Ministers, the National Apprenticeship Service and the Agency will work with a representative group of third sector providers to ensure that eligible providers and learners can be identified in a consistent way.

99. A withdraw due to employment status must not be treated as a break in learning. However, if a learner does return at a later date due to finding employment then the general principle of funding must be applied and an adjustment made to funding by using ILR field A51a.
100. The requirements in this document recognise that 2010/11 will be a transitional year. Therefore, there will be sections of this document that will only apply to carry over non-employed apprentices or those started prior to April 2011 and have yet to secure employment. For example, Terms and Conditions.
101. It is recognised that an apprentice may become unemployed, due to various reasons, during their Apprenticeship. Although employment is still considered a requirement of the Apprenticeship, funding may be continued to be claimed for a period not exceeding 13 weeks where the apprentice is unemployed and continues their learning. The provider must ensure that the apprentice is supported during this period in a manner that allows the continuation of learning.

#### **6.7.1 Alternative completion conditions**

102. The Act does allow regulations to specify alternative completion conditions for Apprenticeships where a person is not working under an Apprenticeship Agreement. However, the details of these regulations have not yet been agreed and are likely to be under very limited exceptions, if any. They will be subject to the affirmative resolution procedure which means that they must be agreed by both Houses of Parliament and they are not expected to be laid before Parliament until the autumn at the earliest. This includes those individuals classified as self-employed.

#### **6.8 Enhanced funding for 19-24 apprentices**

103. This section covers those learners previously classified as 'extended guarantee' in work-based learning (WBL) in 2007/08. The term 'extended guarantee' will no longer be used.
104. Eligible learners who have not been available to enter learning prior to their 19th birthday due to a reason beyond their control will be funded at fully

funded 19-24 rates as long as they start an Apprenticeship before their 25th birthday.

105. Examples of reasons are:

- disability
- ill health
- pregnancy
- a custodial sentence
- remand in custody
- they are a carer
- significant language difficulties (not ESOL)
- as a result of a care order or
- detention under the Mental Health Act.

This is not an exhaustive list and providers must get in touch with their Agency contact if they are unsure of the validity of the reason.

106. The reason why an individual could not enter into an Apprenticeship before their 19th birthday must cover a significant majority of the time between leaving full-time compulsory education and starting an Apprenticeship.

107. A learner would not be entitled to enhanced funding if since leaving full-time compulsory education and the proposed start date of their Apprenticeship they have been:

- In employment,
- Unemployed (not due to a reason listed above),
- Not resident in England,
- In education, either in school sixth form, a further education college or other training organisation or
- On E2E, work-based learning, Train to Gain or an Apprenticeship,
- Or, since the learner's 19th birthday there has been a period of at least six months in which the reasons listed in the paragraph above have not applied.

108. If the learner had started an Apprenticeship prior to their 19th birthday and one of the reasons listed above had caused the learner to leave they will be funded at the fully funded 19-24 rate to resume and complete their Apprenticeship. It is appreciated that it is unlikely that the same qualifications will be available within a framework. Therefore, it is not expected that the provider will need to use A51a to take into account prior learning unless the same qualifications are available.

109. Providers must record enhanced funding by using both fields A69 and A14 on the ILR. Further guidance can be found in the ILR Specification and ILR Provider Support manual.

110. Carry-over learners from 2009/10 who are classified within this group will need to have their ILR data amended to take into account that the ILR fields used have been changed.

## 6.9 Funding

111. The funding of Apprenticeship is based on the Employer Responsive Model.
112. Each aim has a listed value, in SLN terms, that is stored in the Learning Aim Database.
113. The value of each aim, less an achievement element of 25% for the main competency aim, is paid proportionally over the expected time in learning. The achievement element is paid when the Framework is achieved.
114. Payments for non college providers are made in arrears in instalments based on the learner still being in learning on the last day of each month. If the learner achieves earlier than planned then any outstanding monthly instalments are made when the learner achieves. Payments for colleges are made on profile and reconciled at year end.
115. If the learner leaves before achieving then any outstanding monthly instalments or achievement element will not be paid.
116. The National Rates for 2010/11 per SLN based on age of the apprentice when they start their Framework are
  - 16–18 Apprenticeships £2,920
  - 19-24 Apprenticeships £2,732
  - 25+ Apprenticeships £2,186

### 6.9.1 Large Employers

117. From 2010/11 there will be an up front 25% rate reduction for all 19+ Employer Responsive provision delivered to and by large employers, that is, those with 1,000 or more employees. This will be applied to all 19+ learners on Train to Gain and Apprenticeships, and will include learners already on these programmes as well as new learners joining. It will include all private and public sector organisations and all provision delivered through the National Employer Service (NES).
118. NES also reserves the right to further negotiate greater reductions in rates (i.e. in excess of 25%) with the employers that they work with.
119. It does not apply to any learners who start an Apprenticeship before their 19<sup>th</sup> birthday.
120. The reduced rate will apply to employers participating in mainstream provision as well as within the Joint Investment Programme for Strategic Skills, as well as like-for-like European Social Funded (ESF) provision. It will not apply to programmes for the unemployed, as these rates are agreed separately with the Department for Work and Pensions (DWP).

121. Private sector employers will be derived from the information they supply to Companies House, which is replicated on the Employer Data Service (EDS) database. This will include all those who directly employ more than 1000 employees; including all parent and subsidiary companies who are defined by Companies House as being part of the same group.
122. The list will be produced in July 2010 and will remain static for the whole of 2010/11. Additional names and workplaces will NOT be added or removed from the list during the year. The list will be updated on an annual basis.
123. Colleges and training organisations will use the unique Employer Reference Number (ERN) in ILR field A44 in order to identify the employer. This ILR field is mandatory for all Employer Responsive provision. This will be compared to the list of large employers (including all workplaces) and where applicable a reduction will be applied automatically in the funding calculation.
124. In the case of the public sector we will use the same rationale as for the private sector, i.e. where the organisation has more than 1000 employees they will receive a reduction to the rates paid for training.
125. Currently, information held on public sector organisations and the size of their workforce, is very variable. The Skills Funding Agency has therefore taken a cautious approach to defining public sector employers for 2010/11. The list will include all central government and public sector defence organisations (i.e. The Army, Royal Navy and Royal Air Force; as well as all local authorities). Other public sector organisations will be identified by desk research from information already held in EDS.
126. Registered charities, schools, colleges and universities will be excluded from the list.
127. As the large employer rate is being applied to all MOD provision in 2010/11 it will mean that the Gap Analysis reduction applied to rates in 2009/10 through identifying MOD provision in ILR field A02 will be discontinued in 2010/11. Additionally in order to simplify the arrangements with the MOD the following Employer Reference Numbers (ERN) should be used for all MOD provision regardless of locations or whether through a direct contact or delivered to the MOD by a college or training organisation in 2010/11. This includes both new starts in 2010/11 and carry over learners from 2009/10. Provider must ensure that ILR data is changed in 2010/11 to reflect this.

<b>MOD Service</b>	<b>ERN</b>
Army	154231517
Royal Navy	900523387
Royal Air Force	155146343

128. Large employers involved in the Apprenticeship GTA/ATA and Expansion Programmes working with the National Apprenticeship Service will be

exempt from the reduction. Separate instructions will be made available to eligible providers and employers.

129. A full list of all ERNs identified as large employers will be published on the Data Service website [http://www.thedataservice.org.uk/News/20100709\\_rates\\_reduction.htm](http://www.thedataservice.org.uk/News/20100709_rates_reduction.htm). It is not possible due to commercial reason to publish the names of organisations.
130. The Data Service has published a frequently asked questions on the Large Employer rate. It can be found at <http://www.thedataservice.org.uk/ContactUs/FAQs/>.

### **6.9.2 Expected Employer Contribution (co-funding)**

131. The expected employer contribution will be 50% for all 19-24 and 25+ Apprenticeships.

### **6.9.3 Transitional Funding Arrangements 2008/09 and 2009/10**

132. During 2008/09 and 2009/10 transitional arrangements were in place to take into account the introduction of Demand-led Funding in 2008/09. These arrangements will cease at the end of 2009/10 and will not be available in 2010/11. Any funding relating to 2009/10 must be claimed in 2009/10 on the TPS relating to correct month. The Agency will not, under any circumstances, fund any claim relating to 2010/11.

### **6.10 Learner Charges**

133. Except where the Agency agrees, learners shall not be required to contribute financially to the direct cost of learning, unless they are in receipt of a Career Development Loan. There is no restriction on employers contributing to the costs of Apprenticeships.

### **6.11 Advanced Apprenticeship in Sporting Excellence**

134. During summer 2010 Advanced Apprenticeships in Sporting Excellence (AASE) are being reviewed in light of the Apprenticeship, Skills, Children and Learning Act 2009. An update to this section will be published as soon as the review is complete. Until this process has been completed no new sports can be added to those being delivered in 2009/10 and providers must not increase the volume of learners over the 2009/10 levels.
135. The Advanced Apprenticeship in Sporting Excellence (AASE) is unique in its structure and purpose. As it is funded as an Apprenticeship, the requirements for funding, terms and conditions and eligibility are identical to those for all other Apprenticeships. However, due to the structure, there are additional factors to be considered and these are covered below.

136. Only providers that have specific written agreement of the Agency will be able to deliver AASE.

### **6.11.1 Funding**

137. Funding is based on the standard elements of an Apprenticeship as detailed below.
- Underpinning knowledge and understanding: This is based on 780 guided learning hours (glh) and can be any qualification from a list in the framework, each qualification contributing to the glh until the 780 is reached, when the element is deemed to be complete (see paragraph 3 below).
  - Functional/Key skills: The two mandatory Functional/Key skills at Level 2 are funded at standard national rates in all sports. (For Functional/Key skills and premiership football, see paragraphs 6 and 7 below.)
  - Competence element: This is a National Vocational Qualification (NVQ) at Level 3 in Achieving Excellence in Sporting Performance and is funded at the normal listed rate. This is always funded through Apprenticeships and is therefore straightforward.

### **6.11.2 Underpinning knowledge**

138. There are three scenarios for funding this element. These, together with the solution are given below.
- Scenario 1: The provider is also providing (or sub-contracting with another provider for) the underpinning knowledge. In this case, the provider may be funding the constituent qualifications through different funding allocations. It is of no concern which funding stream the funding comes from; however, there is a general duty on the provider to access the Agency funds with discretion and with a view to value for money. The Agency would expect this to be respected. The provider is responsible for ensuring that the full 780 glh are achieved and that double-funding is avoided.
  - Scenario 2: The underpinning knowledge is being provided by a different organisation from the learning provider through the Agency learner-responsive funding allocation. In this case providing the underpinning knowledge will continue to be funded directly for the elements it provides. The underpinning knowledge programme provided by the school may or may not provide the full 780 glh, and, where it does not, the provider is responsible for supplying the additional hours of learning and therefore would claim for the additional qualifications provided from its Apprenticeship allocation.
  - Scenario 3: The underpinning knowledge is being provided by a different organisation from the learning provider, and that organisation is funding the underpinning knowledge from private or other non-public funding sources, for example a private school sixth form. In this case providing the underpinning knowledge will continue to fund the elements it provides and the Agency funds are not to be claimed to substitute any existing funds. The underpinning knowledge programme provided by the school may or may not provide the full 780 glh, and, where it does not, the provider is

responsible for supplying the additional hours of learning and therefore would claim for the additional qualifications provided from its Apprenticeship allocation.

### **6.11.3 Functional/Key Skills**

139. The two mandatory Functional/Key skills are funded at the relevant national rate. This is in addition to the 780 glh underpinning knowledge requirement.

### **6.11.4 Functional/Key skills and Premiership football**

140. The Apprenticeships Approvals Group and the Agency have agreed that the wider Functional/Key skills of Working with Others, Team Working and Developing Own Learning will be included within the 780 glh underpinning the knowledge element for Premiership football only. These will be funded at 20 glh each and each will contribute 20 glh to the 780 glh for framework achievement. No additional funds are being made available and therefore the overall funding for the framework is still the same.
141. Functional/Key skills rates in Apprenticeships are based on 36 glh and not 20, and therefore special arrangements are needed for claiming them within the 780 glh. Enter 66 per cent into field A51a of the ILR for all three additional Functional/Key skills. This will generate the correct funding and ensure that the overall framework funding rate is not exceeded.

### **6.11.5 Eligibility**

142. The AASE contains a substantial package of learning, combining full weeks of learning with additional sports training and NVQ training and assessment. The underpinning knowledge element is often provided by A-levels and other classroom based qualifications. Therefore the underpinning knowledge element is replacing funding that would normally be made available to fund Technical Certificates. For this reason, the Agency does not regard this as double-funding.
143. To facilitate the structure of the AASE, ensure good value for money and allow the underpinning knowledge element to be delivered in schools and colleges without disrupting the current school or college funding arrangements, the Agency is waiving the normal restriction of those in school or FE College on full-time programmes not being able to join Apprenticeships.

### **6.11.6 Employment**

144. The Agency would not expect to fund full-time employees as full-time learners. In the case of the AASE only, the Agency has decided to waive this restriction, since to do otherwise would disadvantage those apprentices who

have been offered employment by sports clubs, by denying them the opportunity of completing their education.

## 6.12 Funding Level 4 Qualifications in Higher Apprenticeships

145. A protocol has been agreed between the Skills Funding Agency and the Higher Education Funding Council for England in order to clarify the funding of the elements of Apprenticeships that contain Level 4 qualifications, that is a Higher Apprenticeship.

### 6.12.1 Principles

146. The protocol recognises the principles that funding must be provided by one organisation only for each element of the Apprenticeship programme, that both parties will act to ensure appropriate use of their own funding and that double-funding cannot occur.

147. The essential content of a Higher Apprenticeship is as follows:

- a competence-based element at Level 4
- a knowledge-based element at Level 4
- transferable or Functional/Key skills at Level 2 or Level 3
- employment rights and responsibilities (no level)
- Personal Learning and Thinking Skills (from April 2011).

148. The Agency may also fund the knowledge-based element if this is defined as non-prescribed HE. The HEFCE will be responsible for setting funding rates and arrangements for funding the knowledge-based element where this is designated as prescribed HE provision.

### 6.12.2 Allocation of funding

149. Funds will be allocated to approved providers in accordance with each organisation's allocations process. It will be the responsibility of the provider of the Apprenticeship to ensure, before learners are enrolled, that funding is available to fund all parts of the Apprenticeship and for the duration of the Apprenticeship.
150. This protocol does not provide an assurance to providers that funds will be available for all parts of the Apprenticeship.
151. Each organisation will be responsible for ensuring the proper use of its funds and for ensuring that each element of the Apprenticeship is funded by only one organisation. Where appropriate, the Agency and the HEFCE will share data to ensure that the principle of preventing double-funding is maintained.

## 6.13 Initial Assessment

152. All learners must be assessed before or immediately upon entry to their Apprenticeship programme. Providers must ensure that the information gained as a result of the assessment appropriately identifies the needs of the learner. The results of the assessment must include details of previous competence and must be recorded and used to inform the content of the Individual Learning Plan (ILP).
153. The purpose of initial assessment is to ascertain the learner's suitability for the programmes and their exact starting point and development needs. Therefore, initial assessment must help shape the programme going forward and inform the ILP. Initial assessment must therefore determine, as a minimum:
- the objectives of the learner and of the programme
  - the learner's current abilities, attitudes and aptitudes including prior learning and achieved Credits from other qualifications
  - support and development needs
  - the most appropriate teaching and learning styles and methodologies
  - set a realist expected end date for the aims within a framework
154. In setting an expected end date for each aim within a framework for the apprentice the provider must use their professional judgement based on the evidence that they have. It must take into account the learners assessment, historical delivery patterns and also the nature of the provider's delivery. For example, where a Knowledge based qualification is delivered by a college that delivers the aim based on a college academic year this must be reflected in the date set.
155. Where there is evidence of systematic abuse for planned end dates so that funding is claimed disproportionately to the actual time in learning for learner who do not achieve their learning aims then the Agency will require the provider to repay all funds associated with the learning identified.
156. A summary of the findings and how this will affect the programme are to be carried over onto the ILP. The provider is to pay due regard to the good practice identified in *Initial Assessment of Learning and Support Needs and Planning to Meet Needs* (DfES, 2001) and to implement this good practice as appropriate. This publication is available from the Agency website at

<http://readingroom.lsc.gov.uk/pre2005/quality/goodpractice/initial-assessment-of-learning-and-support-needs-and-planning-learning-to-meet-needs.pdf>.

## 6.14 Diagnostic Assessment

157. It is the Apprenticeship provider's responsibility to ensure that a young person who may have ALN or ASN is comprehensively assessed using recognised methods. This might include, for example, interviews, formal assessments, observation, reviewing written information, and self-assessment activities. Further guidance is available in the good practice guide, *Identifying and Supporting Learners with Additional Needs* by Lynne Clough (Learning and Skills Development Agency, 2006), which is available

from the Learning and Skills Network website at [www.lsneducation.org.uk/pubs](http://www.lsneducation.org.uk/pubs). Assessment is not funded through ALS funds but included within the base rates for the programme.

158. On referral to an Apprenticeship, it is anticipated that the referral agency will have already gathered relevant information to support the provider in carrying out an initial assessment of a young person. Personal advisers, for example, may have used the Assessment, Planning, Implementation and Review framework for this purpose. With the young person's agreement, this information can be shared and must help ensure that learners are not subjected to repeated initial assessment activities by those professionals working with them.

## 6.15 Starting an Apprenticeship

159. Once learners have started learning, providers must submit data to the Agency using the ILR format. This information must be updated, where applicable, throughout the learner's programme and on leaving learning, in accordance with the Employer Responsive Provider Support Manual.
160. For funding purposes a 'start' is defined as a structured learning activity that leads to the qualification being followed. Assessment, induction and writing of Individual Learning Plans are, in this context, not seen as learning.

### 6.15.1 Health and Safety

161. For details on Health and Safety providers should refer to their Funding Agreement or Contract.

## 6.16 Apprenticeship Agreement

162. From April 2011 in addition to an Apprentice's Contract of Employment there must also be an Apprenticeship Agreement in place between the employer and the Apprentice. These requirements are stated in Apprenticeship, Skills, Children and Learning Act 2009.
163. The Act allows the Minister of State to make regulations about the content and form of the Apprenticeship Agreement. These regulations have not yet been published and are subject to consultation. This section details what is currently known and the Agency will in due course publish further details.
164. An Apprenticeship Agreement provides the contractual basis for the relationship between an apprentice and the employer. Under the Apprenticeship, Skills, Children and Learning Act 2009, an Apprenticeship Agreement is a contract of service, but is not a contract of Apprenticeship.
165. The apprentice undertakes to work for the employer under an Apprenticeship Agreement. An Apprenticeship Agreement must:

- Be in the form prescribed by the Secretary of State;
  - State that it is governed by the law of England and Wales;
  - State that it is entered into in connection with a recognised Apprenticeship framework.
166. It is intended that employers should incorporate the prescribed form into their own contracts of service with the apprentice so that they can be treated as an Apprenticeship Agreement.
167. All Apprenticeship agreements must contain the following terms:
- state that it is a contract of service – not a contract of Apprenticeship - and governed by the laws of England and Wales
  - make clear that the apprentice undertakes to work for the employer under the Apprenticeship agreement
  - state that it is entered into in connection with a specific recognised English Apprenticeship framework, which should be explicitly named
  - state the occupations and job role(s) for which the apprentice is being trained
  - state that the apprentice will be given notice and informed in writing, if a variation to the agreement would mean that it is no longer an Apprenticeship agreement and
  - state that the apprentice will agree with the employer an individual training plan which will be delivered during contracted working hours and will set out how the requirements of the named framework will be met, and specifically:
    - how the framework requirements for on the job and off the job training will be met
    - how the employer will provide opportunities to learn and practice the skills demanded of the named framework;
    - how the employer will provide access for the apprentice to a mentor acting independently of the employer and
    - how the provision of supervision and mentoring support will be met.

## 6.17 Individual Learning Plan

168. An Individual Learning Plan (ILP) must be produced for each learner. The ILP must not duplicate information recorded elsewhere. It must contain the details of what will be delivered; how it will be delivered (for example, by group work, workbook and so on); and the way it will be delivered in the light of the learner's learning styles and abilities. It must reflect the outcomes of both the Basic Skills assessment and the initial assessment. Learner feedback indicates that learners often do not know what they will be doing, when or how. This uncertainty contributes to early drop-out. The ILP must be the document that records these details. It must contain the learning objectives of the programme that learners are following, and state how these will be achieved. The learner must be given a copy of the ILP at the start of learning. The learner should sign the ILP. It is also good practice that the employer or a representative of the employer also signs the ILP thus ensuring that the employer is aware of the nature of the learning proposed.

The ILP must take account of:

- the content of the Apprenticeship frameworks;
- the learner's needs, including any ALN and/or ASN identified and learner support arrangements.

169. The format and content of the ILP is at the discretion of the provider. However, an ILP is expected to include as a minimum:
- skills, knowledge and competences required and the timescale over which the learner will have achieved this;
  - training the learner is to receive, where it is delivered and how it is scheduled, who is delivering it and what support is being provided;
  - methods that will be used to deliver training (including on- and off-the-job training);
  - how on- and off-the-job training will be co-ordinated;
  - the learner's assessment and review arrangements.
170. The ILP must be reviewed as part of the formal learner reviews, although it is acknowledged that changes would not be required at each review. To reflect the growing capability of the learner and where changes are made, these must be agreed with the learner and, where appropriate, the employer. The learner must sign their agreement to the changes on the reviewed ILP.
171. Providers must deliver the learning as described in the ILP. Delivery and assessment are to be in-line with the appropriate framework and awarding body requirements.

## 6.18 Induction

172. All learners must receive a comprehensive induction that covers, as a minimum, the following:
- programme content, delivery and assessment arrangements
  - equality and diversity
  - health and safety
  - disciplinary and grievance procedures
  - terms and conditions of learning.
173. This induction could be in addition to that carried out by the learner's employer but could also be a mixture of the employers and providers induction process. Providers will have to evidence that an appropriate induction has taken place.
174. Induction on its own is not considered to be part of learning activity and therefore completion is not deemed to be evidence that the learner has started.

## 6.19 Learning activity

175. Providers must deliver learning that comprises all the elements of the current Apprenticeships framework document produced by the appropriate Sector Body or Sector Skills Council, summaries of which can be found on the Apprenticeships website at [www.apprenticeships.org.uk](http://www.apprenticeships.org.uk). Learners must be on the Apprenticeship, Advanced Apprenticeship or Higher Apprenticeship that is current on their date of entry. If Apprenticeships frameworks are subsequently updated, learners may have the option to move to the new Apprenticeships framework or remain on the Apprenticeships framework that was in place when they originally started. However, where this happens no additional funding will be available. Providers must refer to the framework for specific details on how learners can transfer to new or updated frameworks. Providers must note that some Issuing Authorities impose entry requirements.

## 6.20 Workbooks and distance learning

176. Use of workbooks and distance learning in the employer-responsive model for apprentices needs to:
- exhibit value for money in usage of public funds
  - be utilised in a manner that best supports a learner in both achieving the qualification and gaining useful skills in a vocational context.
177. The use of distance learning and work books is dependent on how the learner uses the technique. The Agency would expect that:
- the learners undertaking distance learning or workbooks generally do so in their normal working hours
  - the distance learning or workbook would contain elements of underpinning knowledge and understanding
  - the distance learning or workbook would be primarily aimed at vocational learning, not devoted to issues only supplementary to the qualification, such as health and safety
  - the distance learning or workbook would show signs that it has been assessed and reviewed by a suitably competent and qualified assessor or tutor – not just completed by the learner on their own time with no outcome or testing that the knowledge gained has been put to use, assessed or checked
  - the provider is able to demonstrate that the approach has been dependant on the vocational context, as learning just from a book without demonstrating competence would not be considered structured learning
  - distance learning or workbook would involve exercises and contact with others to demonstrate research, analysis or application of knowledge
  - a record is made of the decision to use such material or provision on the individual learning plan
  - the learner and their employer are clear why this method is being used by the provider to deliver the learning outcome

- any material used is adapted to individual learners' needs based on the initial assessment.
178. The use of distance learning and workbooks does not remove the need for providers to identify where Recognition of Prior Learning (RPL) applies, and therefore where an adjustment to the rate of funding by using ILR field A51a must be made.
  179. The use of A51a where there is significant differences in costs of delivery and funding should also be considered. Providers should note that in calculating the costs of delivery that development and infrastructure costs of any type of distance, e-learning or workbooks should be excluded as these are seen as part of overall business costs and not aim specific.
  180. The Agency recognises that through innovation and using new technology that delivery methods in vocational learning will change and adapt to employers and learners needs. However, these developments must not be detrimental to the quality of provision and learner experience. It is providers' responsibility to ensure that any materials used meet the appropriate awarding body standards for use in collecting evidence of competency.
  181. The provider should not expect that the learner has access to the Internet either at home or work and cannot be a requirement that they do so in order to access learning. However, where facilities have been made available to the learner by the provider (or their employer) then the provider can prescribe that they are used in connection with their learning.

## 6.21 Progress reviews

182. Regular reviews are an important part of the learning process. Learners must be reviewed at least every 12 weeks (84 days) for Apprenticeships. Reviews must be recorded and documents signed by at least the learner and the reviewer. However, it is good practice that the reviews are also countersigned by a representative of the employer, such as a manager or supervisor with responsibility for the apprentice. The Review must:
  - identify progress made to date and between reviews for each learning aim
  - reflect on progress towards the learning goals
  - review the ILP
  - set realistic but challenging and measurable targets to be achieved before the next review.
183. A review is not part of the assessment process but may take place during the same visit. A record of assessment is not the evidence of review.
184. The frequency of reviews must be adjusted to reflect the risks of the learner leaving early or not achieving.
185. It is accepted that some reviews may not be carried out 'face to face' but may be by telephone and/or other electronic means. Where this happens then the learner must be sent a copy to sign and send back to the provider ensuring that evidence is available. It is not expected that all reviews are

carried out in this manner as a 'face to face' review will capture significantly more information about the learner's progress and attitude to their learning.

186. Occasionally the learner will make no progress from one review to another, which may be due to something outside of their control, such as changes in working patterns. The provider must rearrange the review for another date when the learner has progressed. The next review should be appropriate to the learner but within the rules set out above. If this continues where the learner is not engaged in structured learning then funding can only be claimed up to the last date of evidenced structured learning. If agreement is reached between the learner, the employer and the provider that this is a temporary situation then the learner can be put on an agreed break in learning where funding is suspended pending the learner returning to structured learning.

## 6.22 Breaks in learning

187. It is not always possible for a learner to complete their Apprenticeship in a single attempt. Circumstance will cause the apprentice to break their learning but they still have the full intention of continuing and completing their Apprenticeship. For example, a break may be required due to pregnancy, an accident or illness requiring prolonged time off work or an extended break from work.
188. Where a break occurs a learner may return to learning and be funded at the rate that they were previously on even if their age now means that they fall into another funding category. This means that a 16-18 year old apprentice that has a break in learning and return when they are 19 years old will be funded at the 16-18 rate. Similarly this also applies to a learner who is 19-24 who returns after their 25<sup>th</sup> birthday as they will be funded at 19-24 rate.
189. When the apprentice returns ILR field A51a must be used to reconcile the funding that will be claimed. New aims are created in the ILR for those the learner has yet to complete. The provider must enter a value in A51a to reduce funding taking account of what has already been funded.
190. If the qualification that the learner was following is now not valid when they return, i.e. certification date has passed, then the learner cannot be classified as a break in learning. This will have the effect of limiting the time that a learner can have a break in learning.
191. Changes have been made to the ILR in 2010/11 in order that the correct funding can be claimed. This involves the use of ILR fields A69 and A14. Further details can be found in the ILR Specification.
192. Providers must take particular care in filling in ILR field A51a to take into account the prior learning that has been funded before the learner took a break. Providers should compare the cash value received against the expected funding that would have been received excluding the achievement element. For example, a qualification valued at £1200 would be paid £900 in

instalment payments and £300 on achievement. If the funding received for the learner when they went on a break in learning was £600 then they would have received 67% of the funding. Therefore in field A51a when the learner returns the provider must enter the value 33 to ensure that only the remaining 33% of the monthly instalments are paid. This is because A51a only affects only the instalment payments and not the achievement payment. The achievement SLN value is not affected during a break in learning.

193. Apprentices working in Academic Institutions, such as for example Teaching Assistants or Administrative Staff, will usually be given time off during academic breaks or that their contract of employment will be only for the academic time and not for any 'holidays'. Providers are not required to treat these times as 'Breaks in learning' although they are technically not employed during these breaks.

#### **6.22.1 Statement of Fitness for Work (Fit Note)**

194. On 6 April 2010 the Medical Statement (sick note) changed to become a Statement of Fitness for Work (fit note).
195. To help more people get the support they need to get back to work the new fit note system will mean that doctors can advise that your employee is either:
- unfit for work; or
  - may be fit for work.
196. A doctor will give a 'may be fit for work' Statement if they think that their patient's health condition may allow them to work if they get suitable support from their employer. If an employee is too ill to work the doctor will advise this just like with the sick note.
197. The changes are not about trying to get people back to work before they are ready, but about removing the challenges to them returning.
198. This may mean that a learner may return to their employer but in a different role or a phased return resulting in less hours being worked (including less than the minimum 16 hours required for Apprenticeship participation). This may present an issue in returning to learning.
199. Providers should continue to treat this as a break in learning if the learner is unable to resume learning but has positively indicated that they wish to return to learning in the future. They should work with the learner and their employer in agreeing the best route to return to learning. This may involve a change to scheduling of aims, a different method of assessment or a delay in returning to learning.

## 6.23 Leaving early

200. Providers must have a reliable system for identifying those at risk of leaving early, along with a strategy for involving the Connexions personal adviser (where applicable), employers and other agencies, as appropriate, to reduce the number of learners leaving early. If, despite the provider's best efforts, learners are no longer making no progress against their ILP, they must be offered alternative opportunities to pursue their original or revised learning objectives – either with the same provider or with another the Agency-funded provider. A learner must be considered to have withdrawn from a programme when they have either:
- known to have made a decision to withdraw from the programme
  - exceeded the provider absence and withdrawal policy or have been dismissed by the provider
  - cannot be contacted, despite repeated efforts by the provider, for a period of four weeks after the last expected review, assessment and/or structured learning which did not take place.
201. The learner must be treated as withdrawn for whichever of the above occurs first. On leaving, the learner must receive a written notice of termination. Portfolios, coursework, the ILP and all certificates are the property of the learner and must be returned to the learner. They may not be withheld for any reason, other than for assessment or verification by the provider, without the learner's permission. Learners must be withdrawn on the last evidenced date of continued structured learning. Failure to make records available to leavers may result in recovery of funds paid by the Agency for the learning concerned.
202. The provider must formally confirm that the learner has been terminated from their learning aims. This could either be in an exit interview or where the provider writes to the apprentice at the last known address to inform them of this. The way in which this is done must be recorded and filed in the learner records.

## 6.24 Completing an Apprenticeship

203. On completion of the separate aims of an Apprenticeship Framework, a provider must apply for and give to the learner (if the certificate is sent to the Provider), within three months of achievement and application, the original copies of the aim and framework certificates.
204. The date of achievement of an aim is the date on which the External Verification (EV) confirms achievement or for those providers with direct claim status it is the date of the Internal Verification (IV). If achievement is through an externally marked exam then the date on which the formal results are received is the date of achievement.
205. The date of achievement of an Apprenticeship Framework is the date that the provider applies to the authorised body for the Apprenticeship certificate.

206. During 2010/11 the National Apprenticeship Service takes over the responsibility for issuing Apprenticeship Completion Certificates. When this happens providers will no longer be required to keep copies of Apprenticeship Completion Certificates for audit purposes. Further details can be found in Section 9 on Audit Guidance. Providers must still keep copies of separate learning aim certificates.

## 6.25 Progression

207. It is expected that the majority of learners will progress from an Apprenticeship to an Advanced Apprenticeship and/or a Higher Apprenticeship. The funding that applies to these progressional routes is determined by the age of the learner at the start of the subsequent framework and not that at the start of the original learning.
208. Providers must take into account learning from previous aim when following a subsequent framework. The requirements set out in Section 4, Principles of Funding, must be followed at all times, that include the use of ILR field A51a to reduce funding.
209. For learners who have completed a Level 2 Apprenticeship it is not expected that will start another Level 2 Apprenticeship in a related occupational area, as they are expected to progress to a higher level of Apprenticeship as their skills and competence grow. However, it is recognised that there are special circumstances where the Apprentice's job role and the requirements of their employment is to be multi-skilled. The provider must demonstrate that the repeat Level 2 Apprenticeship is occupationally relevant and of material benefit to the Apprentice. This does not apply to an apprentice where they have changed their occupation, for example from retail to construction. However, the provider must take into account all prior learning and achievement when filling in ILR field A51a.

## 6.26 Audit

210. In all circumstances, the provider must retain original documents, including, for example, attendance records, enrolment records and learning agreements. Under no circumstances must these be retained by sub-contractor or at sub-contractor's premises once learning has finished. It is normally expected that the provider itself will be registered with the awarding body for the qualification being studied and learners must be registered with the awarding body in order to be eligible for Agency funding. In considering how long these documents should be retained, all providers are reminded that documentation that underpins funding claims or returns needs to be treated in the same way as financial and legal records. Methods and decisions relating to retention should be consistent with the provider's usual rules and methods for financial record retention.

211. Provider must give access to Agency, government or other authorised auditors to inspect files and documents. Failure to do so will result in funding being withdrawn.

## 6.27 Terms and conditions

### 6.27.1 Employed apprentices

212. Sections 6.27.2 to 6.27.4 apply to employed apprentices.

### 6.27.2 Wages

213. The Low Pay Commission has reviewed apprentices pay rates. It has recommended and has been accepted by government that from October 2010 a minimum hourly rate of £2.50 will be applied for all apprentices aged 16-18 and for apprentices aged 19 or over in their first year of their Apprenticeship. Until this comes into force the current requirement for £95 per week for all employed apprentices not covered by the Minimum Wage Regulations will continue. Transitional arrangements will be put into place so that the introduction of an hourly rate does not result in disadvantaging the learner. See [http://www.lowpay.gov.uk/lowpay/report/pdf/LPC\\_Report\\_2010.PDF](http://www.lowpay.gov.uk/lowpay/report/pdf/LPC_Report_2010.PDF).
214. Colleges and training organisations, employers or learners must seek their own legal advice on whether, in a particular case, the National Minimum Wage must be paid. The Skills Funding Agency is not in a position to give such advice.
215. The Agency recognises that academic term-time only staff should not be discriminated against due to their 'normal' working pattern. Therefore, for this category of employees it is accepted that the payment made by their employer will relate to working time and not to the payment pattern. As long as this meets the current Minimum Wage Regulations it would be seen to be compliant with these requirements. Further details can be found in a briefing note (Apprenticeships in schools and colleges on term time only contracts) issued by the LSC in October 2009, which can be found at <http://skillsfundingagency.bis.gov.uk/providers/programmes/nas/>.
216. Further details on the National Minimum Wage can be found at [http://www.direct.gov.uk/en/Employment/Employees/Pay/DG\\_10027201](http://www.direct.gov.uk/en/Employment/Employees/Pay/DG_10027201) and <http://www.businesslink.gov.uk/bdotg/action/layer?topicId=1081657912>.

### 6.27.3 Hours of participation

217. The hours of participation for all learners must conform with all relevant requirements under any legislation or local provisions or any local by-laws relating to employment. All employed learners must be issued with a

Contract of Employment and an Apprenticeship Agreement (from April 2011).

218. All employed learners must be covered by the terms and conditions contained in their contract of employment and any relevant employment legislation. Self-employed learners are treated in respect of learning as employed learners.
219. It is anticipated that all employed apprentices will be engaged in working and learning for a minimum of 30 hours a week. Hours of attendance must comply with the Working Time Directive or any other legislative regulation of working hours.
220. Providers must be aware that a part-time apprentice must be capable of completing and achieving their Apprenticeship during 'normal' working time. There must not be a requirement to undertake learning or assessment activity in their own time. This does not include projects and/or assignments as part of a qualification which would normally be classed as 'homework'.
221. Any learner following an Apprenticeship is deemed to be undertaking a full-time programme regardless of the number of hours actually in learning. As such they are not eligible to undertake any other full-time funded programme, such as FE or School Sixth Form. The only exception to this is a learner who is following an Advanced Apprenticeship in Sporting Excellence (AASE).

#### **6.27.4 Holidays/accrued authorised absence**

222. Employed learners shall be entitled to those holidays provided by their terms of employment. The Working Time Directive requires 20 working days' paid holiday per year as a minimum for employees. Further details can be found at [http://www.direct.gov.uk/en/Employment/Employees/WorkingHoursAndTimeOff/DG\\_10029426](http://www.direct.gov.uk/en/Employment/Employees/WorkingHoursAndTimeOff/DG_10029426).
223. It is not normally expected that learners will be given a holiday entitlement by their employer in excess of 12 weeks and therefore providers will be able to abide by the rules on reviewing a learner's progress within a 12 week window. However, where employed learners are given an extended leave of absence this must be treated as a 'break in learning' and the procedure covering this must be followed.
224. Providers must ensure that they are aware of learners' holidays in order to comply with the review procedure. If learners undertake learning during their holiday it is expected that their employer would take this into account, for example time off in lieu for attendance at a provider.

#### **6.27.5 Non-employed learners**

225. Programme-led Apprenticeships or non-employed learners are subject to eligibility as detailed in Section 6.7.

### **6.27.6 Hours of participation**

226. A Programme-led apprentice (PLA) in employer-responsive provision will usually attend learning for a minimum of 30 hours per week. In exceptional circumstances, part-time attendance can be agreed for a period of time, but with the expectation and agreement that the learner would progress on to full-time attendance (30 hours or more) as soon as they are able. The maximum participation for a PLA is 37 hours in learning and work per week. In sectors where working patterns are flexible this could be a rolling average over four weeks.

### **6.27.7 Holidays/accrued authorised absence**

227. Every Programme-led apprentice is entitled to a minimum of paid holiday at the rate of two days for each completed calendar month from their start date of learning. This is in addition to statutory bank holidays. For EMA purposes it is for the Provider to decide if the absence should be authorised. Paid holiday must be funded at the same rate and from the same source that would apply when an apprentice is not on holiday. A non-employed apprentice is not entitled to paid holiday accrued while non-employed once they become employed. Holidays cannot be purchased or sold by the provider or learner. Holidays not taken must not be paid in lieu at the end of an Apprenticeship.
228. All non-employed learners who need to attend their learning programme during bank and public holidays must receive time off at least equal to the time they attended on that bank or public holiday. Where attendance is on an employer's premises the time-off in lieu must be equivalent to that of the employees of that employer.

### **6.27.8 Childcare support**

229. Childcare support may be available for Programme-led apprentices who are parents under 20 years of age.
230. It is funded independently outside of Apprenticeships. More details can be found at [http://www.direct.gov.uk/en/EducationAndLearning/14To19/MoneyToLearn/Caretolearn/DG\\_066556](http://www.direct.gov.uk/en/EducationAndLearning/14To19/MoneyToLearn/Caretolearn/DG_066556).

### **6.27.9 Education Maintenance Allowance (EMA) – Apprenticeships**

231. Providers are required to administer and support learners to apply for EMA. Full guidance is available on the Agency's website <http://ema.ypla.gov.uk/resources/guidance/>.
232. The Agency has ceased to define absence and expects providers to allow for reasonable absence by learners from funded programmes. EMA is not payable during agreed breaks in learning.

233. EMA will continue to be paid to each young person who is eligible during all such absence authorised by the provider

#### **6.27.10 Child Benefit for 19-year-olds**

234. Child Benefit regulations changed with effect from 10th April 2006 to allow learners who start their learning provision before their 19th birthday to continue to receive household benefits (or Income Support for those young people who are in receipt of that benefit) until the end of their learning up to their 20th birthday, at which point they are treated as independent adults for benefit purposes. Learners who start a PLA in their 18th year may continue to receive EMA for the duration of their Notice of Entitlement.

#### **6.27.11 apprentices undertaking Part-time work**

235. Child Benefit regulations preclude any learner benefiting from Child Benefit from working either for, or in anticipation of, a wage for more than 24 hours a week. Therefore, Programme-led Apprenticeship (PLA) learners in receipt of Education Maintenance Allowance are able to complete up to 24 hours of part-time work a week before their benefit entitlement is affected. PLA is a full-time programme of 30 hours a week. If a provider becomes aware that a learner on a PLA has been offered part-time employment by their placement employer, then the provider must negotiate progression to an Employer-led Apprenticeship.

#### **6.27.12 Income support - Apprenticeships**

236. Learners in receipt of Income Support would need to consider if the level of Income Support awarded is reduced by the level of income generated from any such part-time work.

#### **6.27.13 All apprentices**

237. The following sections 6.27.14 to 6.27.16 apply to all apprentices.

#### **6.27.14 Maternity and paternity leave**

238. Employed learners taking maternity or paternity leave do so either under current legislation or their employment terms and conditions.
239. Where maternity or paternity leave is greater than 12 weeks this must be treated as a planned break in learning and the provider must ensure that funding ceases until the learner returns back to learning. Details of this process can be found in the Provider Support Manual at <http://www.theia.org.uk/ilr/>.

240. EMA is not payable during maternity or paternity leave. This reflects existing Apprenticeship policy and the policy of EMA to encourage continued attendance in learning. This is consistent with current employment legislation where workers do not automatically qualify for maternity/paternity leave. This is one of the reasons why the Agency's strong preference is that learners achieve fully employed status as early as possible in their Apprenticeship.

#### **6.27.15 Trade Union membership**

241. The following two paragraphs do not apply to members of the British Armed Forces.
242. The provider must ensure that any agreed arrangements and procedures that they or their sub-contractors have with trade unions at locations where the learning is undertaken are explained to learners at the start of their learning.
243. The provider must ensure that learners are given the opportunity to join a trade union for which they are eligible under the trade union's rules.

#### **6.27.16 Charges to learners**

244. Apprentices cannot be charged for any activity related directly to their learning. This includes, for example, workbooks, trips and exams where without them they could not achieve the Apprenticeship Framework. The cost of such items is included within the funding rates. This applies to all ages of apprentices.
245. Indirect expenses that are associated with learning but would not stop a learner achieving can be charged for. This includes replacement student ID badges, library fines, deposits on lockers, key and smartcard deposits equipment loan deposits and other similar expenses.

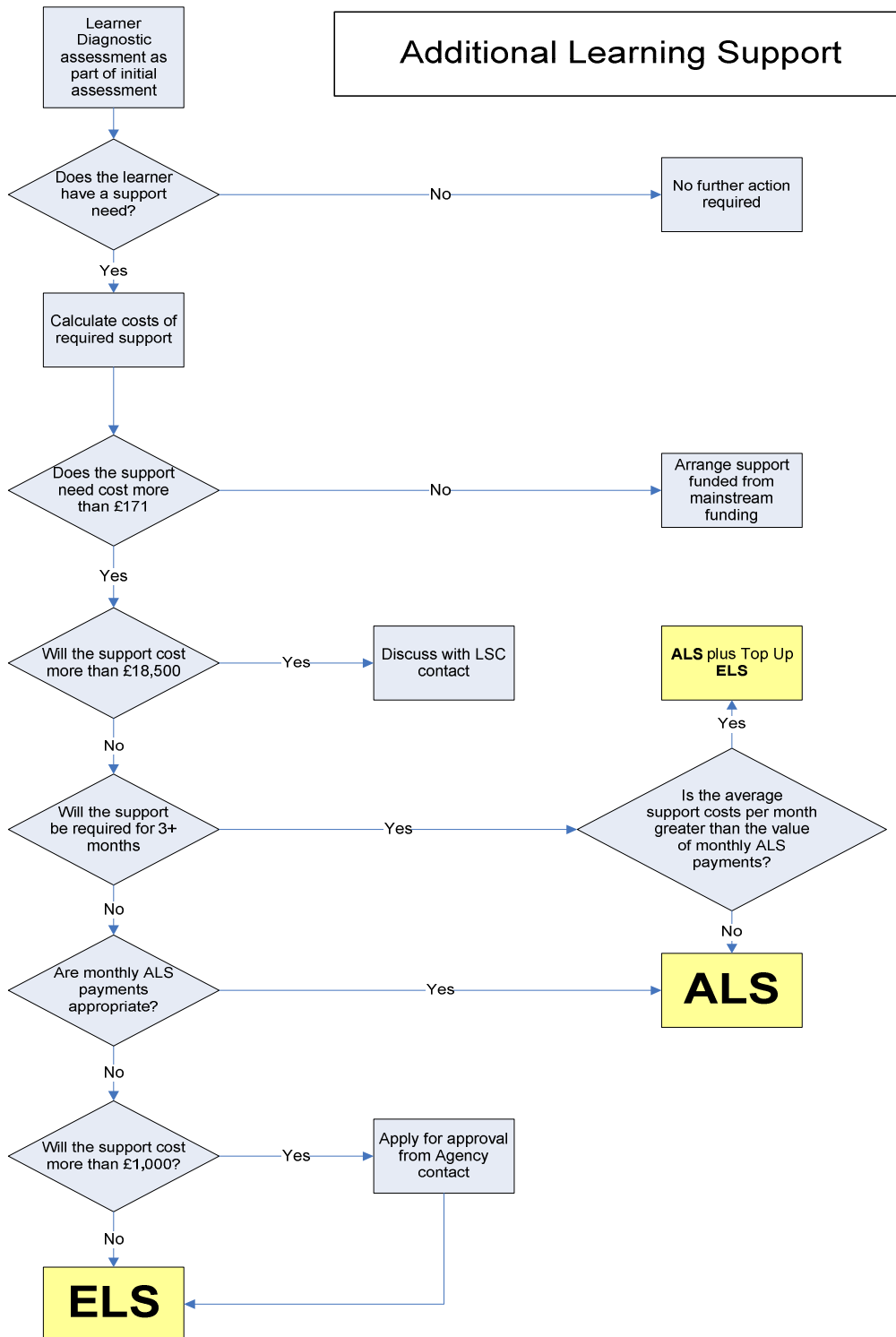
#### **6.28 Inappropriate behaviour**

246. Providers must not offer cash incentives to employers or learners to join Agency funded programmes.
247. The application of this principle is not always straightforward, and the particular circumstances of any payments by providers to employers need to be considered. Many providers have partnerships with employers where the employer provides premises or use of equipment for the training of their employees. In this situation payment for these services may be reasonable, either in cash or to offset an employer contribution to the costs of provision. However, where no service is provided by the employer, it is difficult to see the justification for payment, and the Agency would want to consider carefully the implications of this for the delivery of the service under contract.

248. Independent providers may have sources of income other than from the Agency, and we are not in a position to constrain the use of this income. Nevertheless, we expect Agency funded providers to be mindful of the overall impact on the reputation of the Agency and the provider network when promoting their services. Accordingly providers should not be using Agency funds to make payments to employers that may be regarded as inducements to secure business.
249. An incentive can be made to learners to encourage retention and achievement where appropriate. This is a common practice across the sector and takes many forms of which not all include cash payments. These should be clearly documented with the understanding by all parties why these payments are being made and when they would be made. However, the Agency does not see that 'signing up' or 'start' payments should be made to a learner or their employer under any circumstances.

## Section 7 – Additional Learning Support and Learner Support

### 7.1 Additional Learning Support



The Learning and Skills Network has issued an effective practice guide on supporting providers at [www.lsneducation.org.uk/pubs](http://www.lsneducation.org.uk/pubs).

250. Providers are required to ensure that appropriate support is given to a young person to meet their identified Additional Learning and Support Needs (ALSN). Where a young person is receiving support from a personal adviser during the course of their learning programme, the additional learning and support plan designated to address the learner's needs must be shared with them. ALS funding is provided to meet the costs of additional support delivered as a result of the assessment of the learner.
251. The input from personal advisers remains vital, and providers must maintain their working relationship with them and focus on the needs of the learner rather than on the endorsement form. It is also essential that providers build on and do not duplicate assessments carried out by the personal advisers. Personal advisers will want to be involved with learners on their caseload, and providers must not restrict their access to learners. The practice of three-way case conferences between providers, personal advisers and learners is still viewed as good practice and must continue where it is established.
252. In outline, the guidance on ALS is set out in the following points.
- Providers are required to document their arrangements for the identification of those with additional learning support needs, the planning of learning and support to meet those needs and progress review arrangements. These records are to be available on request.
  - Providers are to develop and implement an ALS plan for each learner for whom they claim ALS. This may be integrated in the apprentices Individual Learning Plan.
  - The focus of audit will be on naturally-occurring evidence generated by the provider's process.
  - Providers are required to notify Connexions monthly of those apprentices under 19 receiving ALS funding.
253. Providers are reminded that although the monthly ALS payments are not subject to reconciliation to costs they must reflect directly incurred overall costs. Funds are also paid subject to line level values within the Maximum Contract Value. The ability to fund is not necessarily a right to the Agency funding

### **7.1.1 Definitions**

254. There are three categories of ALS that are funded by the Agency. These are:
- additional learning needs (ALN) – needs related to the learner's intrinsic ability;
  - additional social needs (ASN) – needs related to emotional, behavioural or motivational difficulties;
  - both ALN and ASN.
255. In addition to making funding available for these categories, the Agency will meet exceptional costs that are likely to exceed the notified threshold, when calculated using estimated costs, over the full length of the programme.

Provision of specialist support and equipment for learners with disabilities will also be met from Exceptional Learning Support (ELS).

256. Funding is made available to providers to support additional activity with learners where they are assessed as being below Level 1 literacy and/or numeracy. It must not be used as additional funding for learners on Key/Functional Skills where no additional support is required.
257. ALS must not be claimed for apprentices on Higher Apprenticeships. For an Advanced apprentice it is recognised that they have been assessed as capable of achieving a Level 3 qualification and it is anticipated that they will be limited to those with specific learning difficulties such as dyslexia.

### **7.1.2 Assessment for additional learning needs in Apprenticeships**

258. Personal advisers will have collected information on a young person's educational history and will also have information on particular areas of their skills levels. This information will help the personal adviser make the initial judgement as to whether the learner does or does not have ALN. In some cases, the personal adviser may also have access to previous detailed assessments of the learner's basic or Functional/Key skills levels, for example if the young person has had a statement of special educational needs at school. If this is the case and the young person agrees, the personal adviser should share this information with the provider.
259. If sufficient information is not available on their literacy and numeracy skills levels to make a judgement, or if what is available is out of date (over two years old), the provider must carry out a second, more detailed literacy and numeracy assessment using tools that are identified by the publisher as being based on the Adult Literacy and Numeracy Standards 2000 or the Functional Skills standards. This process will identify the learner's current level of literacy and numeracy.
260. Where the initial assessment reveals a literacy and numeracy skills level below Level 1 in literacy or numeracy against the 2000 literacy and numeracy or Functional Skills standards, this confirms the need for ALN support.
261. Some learners will enter Apprenticeships having already achieved a Level 1 or Level 2 Functional/Key skills external assessment examination standard by proxy. It is necessary to treat each group separately.
  - Entry with a Level 2 proxy: Learners entering Apprenticeships with a Level 2 proxy qualification, for example a learner with a General Certificate of Secondary Education (GCSE) in English at grade C or higher (for Communications), would not normally qualify for ALN support unless there were special circumstances, for example severe dyslexia. An assessment for this purpose is therefore not required.
  - Entry with a Level 1 proxy: Learners entering Apprenticeships with a Level 1 proxy qualification may have GCSE grades D–G in English, Mathematics or IT. Although these are technically Level 1 proxies, it does not mean that

the learner does not have a learning need, nor does it mean that they will not need substantial support to complete the programme successfully. Where the personal adviser or provider staff believe additional support may be needed, learners in this group should complete the initial assessment. Where the results indicate a need (as above), the ALN support can be accessed.

262. The assessment of the likely competency qualification achievement level is separate from the literacy and numeracy initial assessment. This is a matter of professional judgement on the part of the provider and the personal adviser. In order to decide which level the learner is to work towards, all aspects of the initial assessment process, of which the literacy and numeracy part is only one element, should be used by the learning provider. Providers should refer to the good practice guide *Initial Assessment of Learning and Support Needs and Planning Learning to Meet Needs* (Department for Education and Employment, May 2001) which is on the LSC website at

<http://readingroom.lsc.gov.uk/pre2005/quality/goodpractice/initial-assessment-of-learning-and-support-needs-and-planning-learning-to-meet-needs.pdf>.

263. We expect providers assessing literacy and numeracy needs to follow good practice guidance as outlined in the *Delivering Skills for Life: Fact Sheet 13 – Initial Assessment for Skills for Life including delivery in Train to Gain*, which is available on Agency website

[http://nationalemployerservice.org.uk/uploads/files/Factsheet\\_13 - SfL initial assessment for S4L including delivery in TTG Final.doc](http://nationalemployerservice.org.uk/uploads/files/Factsheet_13_-_SfL_initial_assessment_for_S4L_including_delivery_in_TTG_Final.doc)

264. The Agency also recognises that some learners have ALN that are over and above those of literacy and numeracy and relate to other needs. The literacy and numeracy assessment will provide evidence of the need for ALN status in the majority of cases. However, there may be cases where the results do not produce the evidence to warrant the allocation of ALN funding. In such instances it is the provider's responsibility to demonstrate that, despite the initial assessment not indicating a need, they have other evidence that confirms there is a need for ALN.

### **7.1.3 Assessment for additional social needs**

265. The Assessment, Planning, Implementation and Review (APIR) framework covers a wide range of barriers to learning, including social support needs. This means that personal advisers are likely to have gathered assessment information that would help to identify whether a young person has ASN. Again, if the young person agrees, the personal adviser must share this information with the provider to avoid the need for further assessment in these areas.
266. The assessment process used by providers must consider a young person's social support needs. Providers must use a process that identifies the barriers to learning. If there is clear evidence that the young person has needs relating to 2 or more of the 10 barriers listed below, then the learner qualifies for ASN. The 10 barriers are:
- recent or current offending behaviour

- poor or erratic attendance during the last year of education, exclusion from school or no record of school
- an unsupportive or unsupported home environment
- significant problems with confidence or self-esteem
- significant problems with motivation or attendance (on a programme)
- attitude or behaviour problems
- drug or alcohol problems
- health problems (including mental health and phobias)
- significant problems with communication and interaction
- single parents with particular difficulties finding time to learn.

267. In special circumstances where it is clear that one of these barriers is great enough to be a major obstacle to learning, this will be enough to trigger the ASN support.

268. The young person's extra social support requirements would not normally affect the level of programme they must follow. However, if ASN is combined with ALN, or there are other special circumstances where the provider and the personal adviser consider that a programme leading to a lower level of qualification is more suitable, the provider and the Connexions personal adviser must agree this.

#### **7.1.4 Further guidance on assessing additional social needs**

269. These requirements aim to help the provider and personal adviser with arrangements for assessing ASN. This is not, however, meant to provide a definitive set of guidelines for identifying young people with ASN. It must not be used as a rigid tool so that ASN is defined so tightly that it rules out young people who must receive additional support from the Agency.

270. A young person is likely to need a minimum of one lengthy, in-depth (one-to-one) interview with a skilled interviewer to identify ASN. Where the young person has been referred by an external organisation, there will also be opportunities for research and investigation. In some cases, it is appropriate for the young person to be accompanied to the first interview by a case worker or someone who knows them well and can support them in a discussion of their needs, but this must be followed up with a private interview.

#### **7.1.5 Recent or current offending behaviour**

271. The young person must be known to the criminal justice system and be considered by others or themselves to be at risk of re-offending, or still be offending. Where offending behaviour appears to have come to an end and there is no record of further problems, these criteria must apply only if the original offence is still affecting the young person's life. This could include serious offences that make it more difficult for them to gain employment, or to access training without additional supervision and support.

### **7.1.6 Poor or erratic attendance during the last year of education, exclusion from school or no record of school**

272. This may be evidenced from the school records held by Connexions, or by the young person themselves when school records are incomplete or unavailable. It includes all those who missed regular full-time schooling, whether this was as a result of behavioural problems such as bullying, moving around the country or truancy and so on. In the case of a conflict between school records and the evidence of the young person, greater weight must be given to the testimony of the young person. Evidence from parents, guardians or professionals may also be used as required. Young people who have been tutored at home or who have attended alternative education programmes, which are often part-time and have reduced attendance requirements, may also be included.

### **7.1.7 Unsupportive or unsupported home environment**

273. The following must be considered:

- all young people age 16-18 who are living independently (whether they are care leavers or have left home for other reasons);
- those living in temporary accommodation or of no fixed abode must be automatically included;
- those who are carers who have no other substantial support;
- those living away from the family home with other members of the family, as this may indicate conflict or other problems.

274. For young people who have been in care for short periods of time, their home circumstances and the impact that this has had upon them must be evaluated.

275. Evidence may be available from support workers, but information from the young person must also be acceptable where substantial problems have been identified. Examples of this may include:

- where families are in crisis or unable to cope;
- where there are dependency problems within the family;
- where changes to the composition of the family have brought young people into conflict, for example with a new partner of a parent or carer;
- where the young person is used to care for siblings to the detriment of their programme;
- where the young person comes from a culture of entrenched unemployment that affects their commitment to training.

### **7.1.8 Significant problems with confidence or self-esteem**

276. While everyone lacks confidence in some situations, young people with significant problems are likely to demonstrate high levels of anxiety about doing anything new, and may dwell on their failures rather than their successes, feeling unable to take even small risks. They will be either withdrawn and uncommunicative or extremely disruptive in their attempts to avoid failure. They will probably have unrealistic expectations of what they

must achieve, and so attempt little because of this fear. Young people with low self-esteem may show extremes of behaviour, such as aggression and bullying, or they may avoid contact with others.

277. Further indicators include the way that young people present themselves. For example, they may have poor personal hygiene, be unkempt or even threatening in their appearance. Young people with low self-esteem are likely to feel rejected, and will therefore be unable to feel positive about themselves.

#### **7.1.9 Significant problems with motivation or attendance**

278. Young people who can be shown to have received a thorough initial assessment and to have received support to identify and address any underlying problems, but who still demonstrate significant problems with motivation and attendance, must be considered. This may be a continuation of school patterns. The provider must also consider and address any difference in patterns emerging from attendance at the workplace and in-house learning. The work that the provider undertakes to address the problems may reveal the need for a structured and more intensive programme of support.

#### **7.1.10 Attitude or behaviour problems**

279. This includes young people whose attitude or behaviour problems mean that they are likely to need a high level of supervision and additional support to make the transition to the workplace, or a high level of support and supervision in the workplace. Evidence for this may be available from those supporting the young person when they join the programme or from school records, but young people must also be given the opportunity to make a fresh start where this does not endanger themselves or others. Those who might be considered to be at risk may be expected to have undergone a risk assessment, and this will be acceptable evidence for this criterion. Alternatively, the provider must have evidence that has been generated during the programme. Evidence must show the involvement of more than one member of staff, and that the young person has been fully involved in addressing the problems. Where a learner has lost a placement, this must be shown to be as a result of their poor attitude or behaviour. Evidence may include records of the support the provider has given the young person, corroborated by the employer. It will be important to show that the problems were not caused by inappropriate placing or a personality clash.

#### **7.1.11 Drug or alcohol problems**

280. This does not include those who could be considered to be recreational users, where their use of drugs, alcohol or other substances does not impact upon their programme in any way. These issues must be addressed in the normal course of training. Evidence for drug or alcohol problems will usually come from their timekeeping, concentration, behaviour and so on. While

some young people may be accessing support, the majority will not and may not even have accepted that they have a problem. It will be important to build trust to facilitate these discussions. In the most severe cases, where young people need and are prepared to undertake rehabilitation, it may mean that a more flexible programme must be considered.

#### **7.1.12 Health problems**

281. It is important to clarify the difference between health problems that can be addressed by the provision of specialist equipment and those problems that require higher levels of support to ensure that the young person is able to make the most of their learning. It is likely that only a small percentage of young people will have seen an educational psychologist or have been stated at school, and this information will usually be held by Connexions. A higher percentage will have undiagnosed problems leading to behaviours that will mean that some of these individuals may be assessed under other categories. Young people are often reluctant to admit to mental health problems because of the stigma attached to them. A young person with a phobia will have intense symptoms of anxiety, but these fears will arise only in the particular situations that frighten them. A phobia is likely to lead to the young person avoiding situations that they know will cause them anxiety. In the worst cases, their life will be dominated by the precautions they have to take to avoid the situation they fear. Support may be required to help them to face any issues that impact upon their programme and to seek medical help where appropriate.

#### **7.1.13 Significant problems with communication and interaction**

282. A young person with significant problems with communication and interaction will usually be identifiable from the first interview. Individuals may have problems communicating with all age groups, or with specific groups. For example, some young people have particular difficulty in communicating with adults, or those who may be perceived as being in authority. They may also interact inappropriately in certain situations. These young people may have difficulty in listening to what others are saying and in reading other people's facial cues and body language. Some young people will talk very quietly, avoid eye contact, and display an inability to hold a normal conversation and reluctance or inability to ask questions – they are often termed as being extremely shy. Others may be unable to hold a normal conversation without shouting or being overly demanding. They may tend to invade other people's personal space, and appear to be aggressive. In group situations, young people meeting these criteria may be at either end of the continuum, being either extremely withdrawn or disruptive. In the workplace, young people with communication problems will find it hard to build working relationships and to develop the support that they need in order to learn. In some cases this may affect their ability to work safely. This may also apply to young people with language difficulties or those who speak English as a second language. However, those individuals who have significant issues with the English language must be directed to ESOL Learner Responsive provision before commencing an Apprenticeship.

#### **7.1.14 Single parents with particular difficulties finding time to learn**

283. This includes young people who are solely responsible for the support of one or more children, and pregnant young women who are without the support of a partner. These young people would be unlikely to access learning provision. They are likely to have had a disrupted or possibly unsuccessful experience of school.

#### **7.1.15 Meeting and Reviewing Identified Needs**

284. Having identified ALN or ASN, the provider must plan and deliver a programme of activity designed to address the learner's needs. In the case of ALN, this must include addressing literacy and numeracy skills needs where these affect the learner's ability to achieve their primary learning goal.
285. It is the provider's responsibility to be able to demonstrate how the outcomes of the assessment process have informed the development of an appropriate ALS plan for each learner. The Agency does not intend to produce a standard format for this, as providers may prefer to produce a learning journey-type document that integrates ALS into the ILP or develop a stand-alone plan. As a minimum requirement, however, plans will need to detail:
- the nature of support to be provided to meet the identified needs;
  - when support will be provided and by whom;
  - the time period covered by the plan;
  - the learner's confirmation of the plan;
  - what support for the learner has been provided above and beyond what would be provided for a learner without ALN or ASN.
286. Where an apprentice is identified as having ALN or ALS status and is being supported by a personal adviser during the course of their learning programme, the apprentice's ALS plan must be shared with the personal adviser as a matter of effective practice.
287. All learners require a review at least once every 12 weeks and an ALS needs assessment must be integrated into this process. The frequency with which learners with ALS are formally reviewed will depend upon the needs of the individual learner. It is envisaged that, for many learners, the interval will be less than 12 weeks. The learner's progress will be reviewed in accordance with their plan, the effectiveness of the support will be evaluated and a forward support plan developed at each review. Where an apprentice is being supported by a personal adviser during their learning programme, the adviser may wish to attend learner reviews. This must be determined with the personal adviser.
288. The limit the Agency will pay for ALS is that documented in the provider's funding agreement, and providers are not expected to exceed this amount without receiving agreement from the Agency and a contract variation. For clarity, the Agency accepts no responsibility to pay any ALS above the

provider's allocation, regardless of the number of learners identified. This is in common with the ALS allocations made within the learner-responsive funding models.

#### **7.1.16 Funding**

289. There is a threshold of £171, below which the Agency will not consider claims as providers are expected to manage their budgets to provide additional learning support for all learners below this figure.
290. Where a learner is assessed as requiring support due to ALN or ASN or both, the Agency will fund activity on top of the monthly payment for each month the learner stays in learning, attracts a monthly payment for any qualification and requires support, provided the following conditions are met.
- The assessment has been conducted in line with these requirements.
  - The provider holds evidence of the assessment of the needs.
  - A planned programme of additional support is included in the learner's ILP.
  - The programme of activity is being delivered and evidenced.
  - The arrangements are reviewed a minimum of once every 12 weeks.
291. Calculations will be automatic and the amount paid for the full length of time spent on the qualification to which the status is attached.
292. Where ALN and/or ASN status is recognised after the start date or ceases before the end date, providers are required to close the current learning aim to which ALN and/or ASN is or is not attached and to open a new aim. The percentage of funding remaining for the learner is to be calculated and entered on to the ILR in field A51a. Full details on this procedure can be found in the *ILR Provider Support Manual*.

#### **7.1.17 Dyslexia and Dyscalculia**

293. A learner identified as suffering from Dyslexia and Dyscalculia may not be identified using Basic Skills tests and assessments. Although these learners may have difficulties with literacy and numeracy, they are often highly talented in other areas of life.
294. Where through recognised diagnostic assessment it is identified that the learner has issues with dyslexia or dyscalculia and as a direct result required further support with aims within their framework then Additional Learning Support may be claimed. The learner does not have to be assessed as either at or below Level 1 in Literacy and/or Numeracy. In common with literacy and numeracy support the provider will need to evidence that additional support is being delivered.
295. The provider must ensure that information is recorded in ILR field L14 and L16.

## 7.1.18 Funding

296. The 2010/11 rates for ALN or ASN are:

- learners with either ALN or ASN: £150.00 a month if aged 16 to 18 at start, or £126.00 if aged 19 or over at start,
- learners with both ALN and ASN: £225.00 a month if aged 16 to 18 at start, or £190.00 if aged 19 or over at start.

## 7.2 Exceptional Learning Support

### 7.2.1 Brief Episode Exceptional Learning Support

297. It is recognised that certain learners, that have been diagnostically assessed, require additional support from their provider to access or continue in learning but the payment of a monthly fee through ALS is inappropriate. In the majority of cases this is because the learner only requires a short of amount of time supported where the costs are greater than a monthly payment would fund. In the past this has been dealt with by providers spreading the support artificially over a series of months, the learner being denied the support that they require or the learner being refused training. The changes outlined here are designed so that a learner is not disadvantaged and they can get the support needed.

298. Providers will be able to claim for Brief Episode ELS costs where this is appropriate. In determining whether ELS must be used the provider must estimate the total overall costs and the length of time over which the support will be provided. The maximum length of time that ELS will fund brief episodes support costs is 3 months.

299. Where the total costs of Brief Episode ELS is in excess of £1,000 then the provider must seek written permission from their Agency contact. The provider must supply the following information to their Agency contact:

- Unique Learner Information Number (ULIN)
- Type of learning – Apprenticeship level
- Start date
- Planned end date
- Type of support – What support is being funded
- Cost of support
- Any further information that the provider feels is necessary.

300. Providers must be mindful of the security of personal data. It is recognised that a learner's support needs will be varied and specific to that individual. Therefore the type of support required will also be. Providers will not, in the majority of cases, be expected to provide detailed information about a learner in order to justify asking for approval. The Agency will not use the information to judge each case on its merits, but will use the information supplied in order to aid planning for future years. The Agency will, other than

in exceptional cases, approve all requests for support subject to budget constraints.

301. It is the responsibility of the provider to manage funds within their allocation and MCV. The Agency will endeavour to ensure that learners are fully supported in their aims but the recognition or approval of a support need does not on its own guarantee that funding will be made available. Where a provider has anticipated that the funds required are in excess of their allocation and MCV the provider must speak to their Agency contact as soon as possible.

### **7.2.2 ALS Top up**

302. The ability to 'top-up' ALS monthly payments will continue as in previous years. This is where the monthly ALS payments are insufficient to meet the support needs of an individual or that support is needed over more than 3 months but is greater than the monthly payments. With the removal of the £5,500 threshold this will become less bureaucratic and simpler. In order to calculate the amount to be claimed the provider estimates the total costs of support over the planned length of stay. This value is then divided by the number of census points that will generate a monthly instalment. The value of ELS to claim is this amount less the ALS monthly payment.

For example, a 16-18 learner is estimated to have support costs of £10,000 over a planned length of stay of 24 months. This accounts for £416.67 per month. The provider will receive £225 per month based on the learner's age and needs. The amount of ELS to be claimed on the TPS is £181.67 per month.

### **7.2.3 £171 Threshold**

303. Where a learners support costs are £171 or less in total it is expected that the costs of providing support must come from mainstream funding.

### **7.2.4 Assessment**

304. The costs of diagnostic assessment for a learner's support needs will not be funded from ALS or ELS. Providers must ensure that claims for ELS do not include any costs relating to assessment. The costs of diagnostic assessment must come from mainstream funding and must form part of the initial assessment process.
305. The initial and diagnostic assessment of a learner's literacy, language and numeracy needs will determine the appropriate level of qualification and support required to meet those needs and help the learner improve their skills and achieve their learning aim. Providers must only use initial and diagnostic assessment tools that are mapped to the national literacy and numeracy or Functional Skills standards. The results of which place a learner's current skills within the NQC/QCF levels. For example we require

robust tools that state if a learner's current skills are at entry level 1, entry level 2, entry level 3, level 1 or level 2. Tools that only state a learner is below a certain level, e.g. below level 1, are less robust and not appropriate

### 7.2.5 Process

- 306. A flowchart is provided in order to help understand the ALS and ELS process.
- 307. Claims for ELS are made through the TPS and are subject to the value of allocation and MCV. Guidance on the TPS can be found at <http://www.theia.org.uk/downloads/ilrdocuments/>. Claims for ALS are done through the ILR by indicating supports needs in field A53. Further details can be found in the Employer Responsive Support Manual [http://www.theia.org.uk/downloads/ilrdocuments/201011\\_guidance.htm](http://www.theia.org.uk/downloads/ilrdocuments/201011_guidance.htm).

### 7.2.6 Disputes

- 308. It is for providers and personal advisers to work together to resolve disputes by putting the learner first. Whether or not support is needed and/or appropriate will, to a large extent, depend on the learner's view and their willingness to accept support. Where disputes cannot be resolved, providers must speak to their Agency contact.

### 7.2.7 Audit evidence

- 309. Providers must retain evidence of the assessments and evidence that supports all ALS claimed from the Agency.

## 7.3 Learner Support

- 310. In order to aid clarity, funds previously called Additional Learner Support in Employer Responsive provision 2009/10 or before will be know as **Learner Support** going forward from 2010/11.
- 311. The funding of Learner Support is subject to budgetary constraints.
- 312. It should be noted that as Programme-led Apprenticeships are phased out the use of Learner Support will reduce significantly.

### 7.3.1 Expenses

- 313. A learner must not be expected to contribute towards the cost of learning within the employer-responsive model. It is expected that employed learners where they are required to attend 'off the job' learning will have their expenses paid for by their employer.

314. The provider must ensure that Programme-led apprentices have reasonable expenses met in full where these are needed to overcome barriers to learning. These may include the costs of:

- travelling to or from the place of learning or work placement;
- personal protective equipment that employees would normally be expected to supply themselves;
- medical treatment (for example, inoculations);
- residential accommodation where it is necessary as part of learning.

The above list is not seen as a checklist but of examples that could be funded.

315. Providers must contact their Agency contact if there is doubt about whether certain types of expenses could be reimbursed by the Agency. It is not expected that a learner's meals would be paid for or reimbursed to the learner.

316. Employers and providers must take account of learners' likely transport arrangements when planning off-the-job training, particularly outside normal working hours.

317. Expenses may also be authorised in exceptional circumstances for employed apprentices at the discretion of their Agency contact and is subject to budgetary control. Prior written approval from the providers Account Manager must be sought and retained by the provider.

318. The costs of expenses for learners met by the Agency are claimed on the Training Provider Statement (TPS) in arrears. All costs incurred must be claimed during the funding year in which they are incurred. The Agency will not refund claims to providers which were paid to learners in previous funding years and not claimed within the prescribed time scales.

### **7.3.2 Employer-responsive provision: Programme-Led Apprenticeships**

319. The Education Maintenance Allowance (EMA) was extended to cover Apprenticeships in April 2006. The next section sets out the rationale, scope and administrative arrangements for a hardship fund that the Agency has made available to providers delivering the Agency employer-responsive funded Programme-led Apprenticeships in 2010/11. A Programme-led apprentice within the employer-responsive model is defined as a learner following a full Apprenticeship framework who is not employed.

### **7.3.3 Hardship**

320. Experience from running EMA in further education (FE) shows that running discretionary learner support alongside EMA offers the most vulnerable

learners a robust package of support, which can make the difference between a young person participating in learning or not.

321. Providers wishing to access hardship funding must discuss this with their Agency contact. Providers will only be able to access hardship funds if the Agency has allocated funds within their contract. This document does not infer that any funds will be made available unless agreed to by the Agency.

#### **7.3.4 Eligibility**

322. The scope of available funding supports those Programme-led apprentices who:

- are economically or socially disadvantaged, disabled, medically ill and/or have learning difficulties who are facing financial difficulty and who need support with associated learning costs or
- have been in care or recently left care, or are on probation, or are young parents, or otherwise considered to be at risk or
- are lone parents (who may also be eligible for Care to Learn payments which were expanded to cover 19 year-olds in 2007) or
- are on low incomes or are from low-income families, identified by appropriate income assessment or
- have been recently been made redundant or have become unemployed during their Apprenticeship, who are facing financial difficulty and who need support with associated learning costs.

323. It is also the intention to provide an emergency fund for these learners in hardship due to delays or barriers to EMA applications.

324. Learners do not need to be eligible for EMA to qualify for a hardship fund payment, but they must be on an Agency employer-responsive funded Programme-led Apprenticeship (PLA) and aged under 25 years of age when they started their framework. Apprentices who start after their 25th birthday are not eligible. Other work-based learners (such as ESF-funded provision) are not eligible for this funding.

325. Learners who are eligible to apply for EMA must do so. Hardship funding must not be used to replicate EMA where the learner is eligible but chooses not to apply.

#### **7.3.5 Scope**

326. Typical payments under hardship payments will include payments to learners who:

- do not qualify for EMA -
  - but nonetheless have genuine financial needs – most common examples are due to changes in the household's income which cannot be taken into account retrospectively for EMA income assessment, for example unemployment,

- need short term support, because of redundancy, in order to regain employment or to finish their Apprenticeship.
  - qualify for EMA -
    - but whose needs are so great that EMA is insufficient – this will not often be the case because EMA sits alongside Child Benefit, Tax Credits and Income Support, but may be necessary for short periods of exceptional need.
  - have not pre-applied for EMA ,
  - need an advance until their EMA payments start (at which point there is an expectation that the advance will be repaid).
327. There are some items that are specifically out of scope, as follows.
- Providers must not seek to replicate EMA bonuses for learners who are ineligible for EMA (although they may meet essential costs for those who are not eligible for EMA).
  - Items that are already funded under employer-responsive funding, such as travel or additional learning support (ALS), must not be funded under the hardship fund.
328. With the exception of exceptional short-term costs, the hardship fund must not fund subsistence for learners who are estranged from their families but have not yet engaged with the Jobcentre Plus benefit system. Estrangement means that a young person has no choice but to live away from their parents, for example because they would be in physical or moral danger if they remained in their household. These learners must be encouraged to apply for Income Support as soon as possible, so they can combine Income Support with the £30 maximum EMA payment. Receipt of Income Support may also qualify the learner for other benefits such as Housing Benefit.
329. Where there is any doubt about whether the provider must authorise a payment, they must consult their Agency contact for advice.
330. Hardship funding does not cover such items as support for expenses for non-employed employer-responsive learners such as travel, equipment and medical treatment (inoculations).

### **7.3.6 Redundancy**

331. During 2008/09 it became apparent that due to the changing economic climate additional support is required for learners who are made redundant during their Apprenticeship.
332. For learners aged 16-18 at the point of redundancy, hardship funding may be made available as required to support the learner. These learners, who are now unemployed are now Programme-led apprentices and offered the same support anyone within this group, would receive. This includes the expectation that they will apply for EMA and would qualify for the benefits associated with someone within that age group. It would be expected that

learners are encouraged to return to employment as soon as possible. Where a learner is not eligible for EMA then hardship funding, up to a maximum of £95 per week, may be used but will be limited up to a period not exceeding six months.

333. For learners aged 19 to 24 at the start of their Apprenticeship, hardship funding must be made available for a period not exceeding 13 weeks for a maximum of £95 per week pro-rata based on 30 hours per week. It is expected that whilst being supported they continue their learning and re-engage in employment or complete their Apprenticeship.
334. It is expected that learners accessing hardship funding due to redundancy will move back into employment within 13 weeks.
335. All learners are subject to the employer-responsive learner terms and conditions. This includes the stipulation that an apprentice must be engaged for a minimum of 16 hours per week. Although it expected that this will be usually more than 30 hours per week.
336. The provider must ensure that a learner's progress is monitored regularly, at least every six weeks, during this enforced unemployment and that they are supported to engage with an employer. This reflects that the probability of a learner leaving early is higher and the support that this type of learner would require.
337. Hardship funding is not available for apprentices who start after their 25th birthday.

### **7.3.7 Use of the hardship fund - Grants and loans**

338. Providers may use the hardship fund to make grants or loans. Grants must be modest amounts that enable a learner to commence or continue participating when otherwise they would be unable to do so. For example, an eligible asylum seeker who is not eligible for EMA and who has no means to purchase lunch when away from their accommodation may require a grant of, say, £3 a day for lunch. Loans, however, may be more appropriate where a learner is experiencing a delay in their EMA application, perhaps through difficulty in accessing proof of household income, and therefore they cannot finalise their EMA application.

### **7.3.8 Process**

339. It is expected that providers will implement a simple process for assessing needs and deciding whether a grant or a loan is the most appropriate approach, based on the following factors.
  - The provider assesses the learner's need, factoring in the eligibility of the hardship fund, and decides whether to make a grant or loan, considering the likelihood of repayment and the learner's circumstances.
  - The provider and learner sign an agreement specifying the repayment terms of the loan.

- The provider pays the learner the agreed amount and repayment is made by the learner in due course.
- If the learner fails to repay the loan, the provider must seek to recover it through reasonable recovery procedures (for example, written reminders).
- If the loan is written off, this must be done by a person authorised to do so within the organisation.
- The un-recovered loan is then treated as a grant and the Agency will meet the cost.
- Periods of absence must be considered on an individual basis, taking into account the learner's specific circumstances. It is not intended that the learner is penalised for non-attendance or that there are no sanctions available to a provider. However, where justified, hardship may be continued to be paid to encourage retention and to help a learner over a difficult period of their learning. Providers must cease payment when it can be reasonably expected that the learner would not return to learning following a period of absence.

340. As long as the provider puts reasonable measures in place to recover these loans, the Agency will not seek repayment, although this will reduce the funding available to other learners. However, the Agency may seek repayment if there is evidence that the provider has not managed the loan process appropriately.

341. Providers will be expected to have a documented policy on their application and recovery processes for hardship funding and must be able to produce this on request.

### **7.3.9 Payments and reconciliation**

342. Allocations will be made by the Agency to providers in line with need and must be part of negotiations which take place both before and during each contract year. The hardship fund will be administered through the employer-responsive contract as an extension of ALS. The Agency will make an additional allocation to providers under ALS to include the hardship fund. Payments will be made monthly in arrears through the Training Provider Statement (TPS), and as follows:

- the cost of grants will be met in full,
- the costs of loans will only be met where the learner defaults on the loan and the provider's recovery processes have been exhausted.

### **7.3.10 Claiming through the TPS**

343. The cost of grants and loans that are un-recoverable are to be entered onto the TPS in Learner Support.

344. Providers must ensure that timely claims are made and final claims for 2010/11 must be made before the final data submission for 2010/11 closes.

The Agency will not fund claims that relate to 2010/11 expenditure past the final submission date for that year.

### **7.3.11 Audit requirements**

345. To support their claims to the Agency for reimbursement of hardship payments made to learners, providers will be expected to hold and maintain for audit examination evidence that:
- the learner satisfies the programme eligibility rules and criteria detailed in Learner Eligibility Guidance and these requirements,
  - the learner was in attendance as agreed in the contract, including details of any authorised or unauthorised absence,
  - there is a need and rationale for a hardship grant or loan, which would include evidence of redundancy as appropriate,
  - the Agency authority was granted in cases referred for the Agency decision,
  - the learner actually received the grant or loan,
  - the loan is repaid if applicable,
  - any repayments to the Agency are made.
346. These requirements could be met through naturally-occurring evidence and a single simple application and receipt form. Where learners are paid through bank transfer a signature of receipt will not be required.

## **Section 8 – Sub-contracting requirements**

347. Before an organisation can receive funding from the Chief Executive of Skills Funding there must be a funding agreement in place. This agreement sets out the terms and conditions on which the Chief Executive of Skills Funding is providing funding to that organisation. The most common arrangement is for the Chief Executive of Skills Funding to have this agreement in place with a single legal entity (be that a college, a private or public organisation or sole trader). Alternatively the Chief Executive of Skills Funding can have an agreement with individual legal entities that are part of a consortium on a joint and several basis. Under these circumstances all members of the consortium are responsible for any breaches to the terms and conditions of the funding agreement. In either of these circumstances it is possible for some of the delivery to be sub-contracted to a third party, which itself must be a legal entity.
348. Past experience indicates that sub-contracting significant levels of provision is associated with higher levels of risk. This is the case irrespective of whether the sub-contractor is one of the Lead Provider's own subsidiary companies, a joint venture company or an organisation that is independent of the Lead Provider. Higher levels of risk are also associated with significant levels of provision being delivered away from the Lead Provider's main site(s) or outside the normal recruitment area of the provider.

### **8.0.1 Responsibility and limits of sub-contracted provision**

349. The Lead Provider retains ultimate responsibility for all aspects of the provision that it is contracted to deliver, including any elements that it chooses to sub-contract. The Lead Provider must have a legally binding agreement with each and all of its sub-contractors.
350. The Lead Provider is required to provide the Skills Funding Agency with information about any provision that it wishes to sub-contract prior to entering into delivery arrangements. This information includes extending existing sub-contracting arrangements or entering new sub-contracting arrangements (including during the year). The Chief Executive of Skills Funding reserves the right to refuse funding for any sub-contracting arrangements based on his professional judgement of the risk posed.
351. Sub-contractors may not further sub-contract provision to other colleges or training organisations without the written approval of the Chief Executive of Skills Funding.
352. Franchised provision is not permitted.

## 8.0.2 Provision of Information on sub-contractors

353. Lead Providers are required to submit details of their sub-contracting arrangements for each proposed sub-contractor to the Skills Funding Agency. A spreadsheet will be available on the Skills Funding Agency Website, which will capture the information required. It covers the following:
- the full name, UKPRN and postcode of the legal entity which the Lead Provider proposes to use as a sub-contractor;
  - the value and length of the contract with the sub-contractor together with anticipated learner numbers;
  - the delivery location postcode(s) of sub-contracted provision. If learning delivery will take place on a learner's employer's premises, the postcode of the delivery organisation will suffice;
  - the proportion of the payments from the Skills Funding Agency to be passed to the sub-contractor by the Lead Provider for the provision;
354. This spreadsheet will replace the form at Annex I: ILR Partner-provider Details from *LSC Funding Guidance 2008/09: ILR Funding Claims and Audit Returns* (LSC, September 2008). This is the form that is currently used to inform the Skills Funding Agency of the individual subcontractors to be used. Should a college or training provider have already submitted details of their proposed subcontractors for 2010/11 to the Skills Funding Agency using the form at Annex I then there is no need to complete the new spreadsheet for the coming year.
355. In addition to this information on individual sub-contractors, the Lead Provider will be required to provide the Skills Funding Agency with a single declaration signed by the Chief Executive of the Lead Provider, that the necessary due diligence has been carried out across all proposed subcontractors. It is for the Lead Provider to determine the necessary and sufficient due diligence required for each proposed subcontractor. This guidance sets out some of the areas that Lead Providers may want to consider when carrying out due diligence, particularly for those subcontractors that represent a higher level of risk based on, but not restricted to, the value and nature of the subcontracted programmes and/or provision.
356. Colleges and providers are expected to notify the Chief Executive if there is a significant change to the amount and/or nature of any subcontracted provision from that already notified to the Chief Executive. This is particularly important where the sub-contractor has:
- become insolvent or been placed in administration;
  - been graded Inadequate by Ofsted in any category relating to the organisation as a whole or received an inadequate grade in any sector-subject area(s) containing sub-contracted provision.
357. Under these circumstances the Lead Provider should inform the Chief Executive of Skills Funding within one week of the initial notification detailing the action it is taking to protect the learners accessing programmes and/or provision through the sub-contractor.

358. Lead Providers are also reminded of the need to complete the section on Subcontracting in their annual self-declaration on the Skills Funding Agency's Financial Management and Control Evaluation.

### **8.0.3 Sub-contract Agreements**

359. It is a requirement that all Lead Providers have a legally binding agreement in place with each of its sub-contractors. It is a requirement that the sub-contract agreement must allow for access on demand to sub-contractors' premises and to all documents relating to learners funded by the Skills Funding Agency, in whatever media or format, by internal and external auditors or other persons nominated by the Chief Executive of Skills Funding. It is also a requirement that Lead Providers include a contract condition within all new sub-contract agreements from 25 March 2010 to pay the valid invoices of their subcontractors within 30 days of the invoice date<sup>1</sup>.
360. Lead Providers must ensure that the subcontract agreement is clear on the actions that would be taken in the event of the termination of the sub-contract agreement to ensure that such a termination has negligible impact on learners' programmes and/or provision, particularly where the subcontractor enters liquidation or is taken into administration.
361. The Skills Funding Agency does not require a standard form for that agreement. This is to allow for the necessary flexibilities in these agreements to best meet the needs of learners. The Office of Government Commerce provides model terms and conditions of contract for services on its website ([www.ogc.gov.uk](http://www.ogc.gov.uk)). Guidance and best practice examples on subcontract agreements and subcontracting can be found on the Learning and Skills Improvement Service's Excellence Gateway ([www.excellencegateway.org.uk](http://www.excellencegateway.org.uk)). The Association of Colleges ([www.aoc.co.uk](http://www.aoc.co.uk)) doesn't provide a model contract for subcontracting on its website but does negotiate some contracts on behalf of its members and will provide advice to members on request. The Association of Learning Providers ([www.learningproviders.org.uk](http://www.learningproviders.org.uk)) and the Third Sector National Learning Alliance ([www.tsnla.org.uk](http://www.tsnla.org.uk)) also provide advice and guidance on subcontracting for their members. Each Lead Provider is advised to take legal advice before entering into a subcontract with third-parties.
362. Lead Providers must ensure that they meet the terms and conditions of their funding agreement with the Chief Executive for all provision regardless of whether it is sub-contracted. Regardless of the form of the sub-contract agreement, the Lead Provider will need to be satisfied that it satisfies a control test, the key elements of which are that:
- i. a Lead Provider is able ensure that learners are enrolled on appropriate programmes;

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<sup>1</sup> This is to ensure compliance with the mandatory requirements set out in Procurement Policy Note - Requirement to include 30-day payment clause in new contracts. Action Note 07/10 25 March 2010 (Office of Government Commerce)

- ii. there is a written learning agreement, entered into at the time of enrolment, is prepared and agreed with each learner that reflects the outcome of the learner's initial guidance and assessment;
- iii. a learning programme and its means of delivery have been clearly specified by the Lead Provider;
- iv. the Lead Provider is in control of the delivery of the education and/or training;
- v. there are arrangements for assessing the progress of individual learners;
- vi. procedures exist for Lead Providers to regularly monitor the delivery of programmes provided in their name.

363. Notwithstanding the requirements placed on Lead Providers with respect to their sub-contracted provision, the Skills Funding Agency accepts no financial or other liability in respect of sub-contracted provision, which is the sole responsibility of the Lead Provider.

#### **8.0.4 Distribution of income between Lead Providers and sub-contractors**

364. The Skills Funding Agency requires that a large majority of its funding is used for the benefit of the learner on their learning programme or provision. The Skills Funding Agency expects that the amount of funding retained by Lead Providers for programmes and provision delivered in whole or in part by a sub-contractor takes account of, and be proportionate to, the actual costs incurred by each party in the delivery of the provision. It is unlikely that, for most programmes and types of provision, direct delivery costs would be less than 85% of the income received from the Skills Funding Agency.

365. The Skills Funding Agency will monitor the payments to sub-contractors to ensure that sub-contracting represents good value for money and that there is sufficient funding being allocated for the delivery of high quality education and training.

#### **8.0.5 Monitoring sub-contracted delivery**

366. The overall monitoring and control of sub-contracted delivery is the responsibility of the Lead Provider. However, it is still the case that sub-contracted provision represents an increased risk and recently, some providers have experienced difficulties in submitting evidence to support their monitoring and control of sub-contracted provision. The Skills Funding Agency sees the individual deliverer (ILR field A22) and the delivery location postcode (ILR field A23) as key fields on the ILR that will identify to the Chief Executive of Skills Funding the higher-risk elements of a provider's provision.

367. Lead Providers are expected to: monitor the qualification success rates and other performance measures for each sub-contractor; report these in their

self-assessment reports; and take appropriate action, through their quality improvement plans, or in-year improvements as necessary, to improve qualification success rates and other performance measures in-line with the Lead Providers own targets.

368. Lead Providers are expected to ensure that their sub-contractors submit the data required by the Skills Funding Agency on a timely basis including, but not restricted to, that required by the Framework for Excellence. Lead Providers are also expected to ensure that their sub-contractors supply them with sufficient evidence to allow the Lead Provider to adequately assess the performance of their sub-contractors against the Common Inspection Framework. It is expected that this evidence is included in the Lead Provider's self-assessment report and contributes to the judgements and grades therein.
369. Provision sub-contracted by a Lead Provider must be delivered by the sub-contractor's directly employed staff or by freelance, self-employed trainers and/or assessors. In the case of volunteers, the control must be "as if they were employed". The agreement must require that sub-contractors that use volunteers or freelance, self-employed individuals for teaching, training or assessment duties should have a written agreement with those volunteers and/or self-employed teachers, trainers and assessors that covers the requirements placed on them and their agreement to meet those requirements. Lead providers and sub-contractors are advised to take into account the requirements of minimum wage legislation when using volunteer staff.
370. The Lead Provider must be able to demonstrate that it is monitoring the activities of the sub-contractor and that it is exercising control over, and making appropriate arrangements for, the quality assurance of all provision. Where the sub-contractor is also the approved assessment centre for the qualifications it delivers, the Skills funding Agency expects that the sub-contract agreement entitles the Lead Provider to receive copies of all reports by the centre's Awarding Body or Bodies, including, but not restricted to, External Verifier reports relating to subcontracted learners and/or the programmes and provision on which they are registered with the Awarding Body or Bodies.
371. The Skills Funding Agency reserves the right to reclaim funding if Lead Providers cannot provide, on request, evidence of good controls and regularity in their sub-contracted provision.

#### **8.0.6 Due diligence process for proposed sub-contractors**

372. It is the responsibility of the Lead Provider to satisfy itself that the sub-contractor has been selected fairly and has the sufficient capacity, capability, quality and business standing to deliver the provision that it being sub-contracted. In order to satisfy itself of this the Lead Provider should take account a number of factors, which include whether the sub-contractor:

- has been selected through a fair, open and transparent process;
- has satisfactory financial health;
- has no unsatisfied county court judgements against it;
- has disclosed all contracts it holds and has held with the Skills Funding Agency and the Learning and Skills Council and, in the case of terminated agreements, the reasons for the termination of the agreements;
- has disclosed the names of its directors and senior managers together with details of their previous appointments, particularly with organisations who hold or have held funding agreements with the Skills Funding Agency or the Learning and Skills Council;
- has sufficient capacity to deliver its commitments under the sub-contract agreement without adversely affecting its ability to meet its other commitments;
- complies with health and safety legislation and has carried out health and safety risk assessments covering the proposed sub-contracted learners;
- has declared to the Lead Provider all reportable injuries, diseases and dangerous occurrences covered by the RIDOR regulations over the last three years together with the actions they have implemented to prevent reoccurrences;
- complies with legislation on employment (including the use of volunteers);
- complies with legislation on immigration, safeguarding and equality & diversity;
- complies with data protection legislation (including the notification of the Information Commissioner's Office that they process personal information) and has appropriate data protection and security systems in place for the exchange of personal data with the Lead Provider;
- has systems to ensure compliance with the Skills Funding Agency's requirements for data collection and the keeping of records;
- has appropriately qualified and trained staff and other resources to deliver the sub-contracted provision effectively from the start of the contract;
- has a policy on sustainability;
- has appropriate learner support arrangements in place;
- has appropriate information, advice and guidance arrangements in place for learners;
- has appropriate quality assurance arrangements in place
- does not have an inadequate Ofsted inspection outcome relating to any aspect of its overall performance or to the sector-subject area(s) of the proposed sub-contracted provision;
- has provided references that support the claims made in its tender.

373. Colleges and publicly-funded bodies must follow EU procurement rules to procure the services of a sub-contractor. These organisations are advised to consult the Office of Government Commerce website ([www.ogc.gov.uk](http://www.ogc.gov.uk)) and in particular the section of its policy and standards framework on supplier selection and pre-qualification. The regulations governing private providers

are less prescriptive but the Skills Funding Agency would expect the selection of sub-contractors to be as equally fair, open and transparent as for colleges and other publicly-funded bodies.

374. The Chief Executive of Skills Funding reserves the right to ask Lead Providers for additional evidence in support of the due diligence process. The Chief Executive of Skills funding will base any requests for further evidence on an assessment of risk represented by the proposed sub-contracted arrangements. It will be for Lead Providers to determine the form of this evidence but it could include the following:

- a copy of the sub-contract agreement
- the sub-contractor's procedures on a range of aspects covered in the declaration to the Skills Funding Agency including safeguarding, health and safety and equality & diversity
- the data sharing protocol(s) in place between the Lead Provider and sub-contractor
- the sub-contractor's arrangements for monitoring learners' progress
- copies of the sub-contractors policies on quality assurance, health and safety, equality and diversity and sustainability
- a copy of the standard operational manuals to be used by the sub-contractor, particularly for the collection of data and the keeping of records
- details of the provision, the value and the number of learners that the sub-contractor will be delivering
- details of the learner support arrangements that are the responsibility of the sub-contractor under the proposed agreement
- details of the quality assurance arrangements that are in place at the sub-contractor
- a business case for using the sub-contractor.

## Section 9 - Evidence Requirements for the Employer-responsive Funding Model

375. This section summarises the general compliance requirements set out in the main body of this document to assist providers whose delivery is wholly or mainly within the employer-responsive funding model.
376. The Agency operates a risk-based approach to the auditing of the employer-responsive funding model. This approach aims to reduce unnecessary bureaucracy for providers by targeting audit resources in proportion to risk. Providers assessed as low risk should receive a reduced level of audit activity compared with high-risk providers.
377. Providers will need to claim funding by submitting monthly electronic ILR data returns. Providers must be able to support their ILR returns with auditable evidence of learner existence, eligibility and achievement.
378. The Agency has made computer-assisted audit techniques (CAATs) available for providers to use on their own data. These are known as data self-assessment toolkits (DSATs). Use of DSATs during audits assists in the identification of areas where audit activity should be targeted. Where reliance can be placed on the submitted data, testing during the audit can be reduced.
379. Providers must use DSATs on a regular basis to test the integrity of their data. Effective use of DSATs by providers is a factor that can reduce audit risk assessment. DSATs is available from <http://www.thedataservice.org.uk/Services/DataCollection/software/dsat/DSAT0809.htm>.
380. This Section gives further advice on the evidence requirements for employer-responsive funding, but it is not exhaustive. The Agency will hold the provider liable for any evidence deficiencies arising from sub-contracting arrangements or failure by a sub-contractor to produce any required evidence. Where provision is being delivered by a sub-contractor, the provider should retain copies of sub-contractor agreements.
381. Wherever possible, Agency auditors seek to place reliance on evidence that is generated by the natural administration of the learning process, within the provider's own systems, provided that evidence is sufficient, relevant, reliable and robust.
382. Where approval must be sought from the Agency, evidence of such approval (usually from an Agency team) should be retained for audit purposes.

### 9.0.1 Guidance on how the Agency assesses assurance risk on funding returns

383. In deciding both the cyclical frequency for a provider's audit and the level of detail of the audit work that will be required to provide the Agency with the necessary assurance over a provider's funding (ILR) claim, the Agency will

include an evaluation of the following factors within the employer-responsive funding model assurance.

### **9.0.2 Factors included in funding-audit risk assessment**

384. The provider success rates in delivering qualified learners. Learners who are achieving externally approved and accredited qualifications have historically posed a much lower level of funding eligibility risk to the Agency and evidence of good success rates will be a major determinant in reducing risk in the new audit risk assessment.
385. The Agency's new audit risk assessment process will target providers who meet funding targets late in the year and in particular where this is accompanied by learners not going on to achieve their learning aims. A good record in meeting funding targets through successful learners will result in a low risk assessment.
386. Comparison will be made between planned length of programme and success rates. Providers whose planned programme length is supported by both good success and evidence that the success is timely to the planned length of programme, for the majority of their cohort of learners will be seen as lower risk. The Agency will also check that the numbers of learners completing late and early are few in number and reasonably balanced. The Agency is in particular going to review funding claims for high-rate learners on long programmes that are claimed for in less than 24 weeks unless there is very good matching evidence of timely learner achievement.

## **9.1 Evidence**

### **9.1.1 Eligibility for the programme**

387. The Agency requires the provider to ascertain whether a learner is eligible for Agency funding in accordance with the Learner Eligibility Guidance and whether learners are eligible to participate in their programme. The eligibility to work in England is different from the eligibility to funded learning and providers should ensure that this is not confused.
388. The provider should retain evidence to support their assessment of the eligibility of all learners entering the programme. This must clearly show evidence or be supported by further evidence to show that the learner was eligible to enter the programme as set out in Learner Eligibility Guidance and these requirements.
389. The Agency does not require providers to photocopies of passports or other documents but they must record a list of the evidence seen including serial or reference numbers as appropriate. Further information can be found in the Learner Eligibility Guidance and the Home Office website at <http://www.ukba.homeoffice.gov.uk/studyingintheuk/>.

### **9.1.2 Entry to the programme**

390. The following evidence should be retained to support entry and categories of entry to the programme for each learner:

- Evidence that the eligibility of the learner has been assessed and confirmed based on the Learner Eligibility Guidance
- evidence of assessment on entry to the Apprenticeship programme. This must be for the whole programme not just a single component
- a copy of a learning agreement signed by the respective parties
- evidence that employed learners have confirmed that a contract of employment and an Apprenticeship Agreement (from April 2011) is in place
- evidence that the provider has paid due regard to historical information, delivery methodologies and patterns, the average length of stay and any prior learning when completing the ILR and submitting data to the Agency
- evidence that where the Agency's permission is required to recruit or fund a learner that this was obtained prior to the learner starting their learning or the provider claiming any funds. Retrospective agreement must not be sought by providers in order to defend audit findings.

### **9.1.3 Participation on the programme**

391. The following evidence should be retained to support participation on the programme:

- a copy of the Individual Learning Plan (ILP)
- evidence that the learner is working or making progress towards all aims through continued structured learning
- if progress is not being made for any aim, evidence to support the actions taken to address this
- a review has taken place within the last 12 weeks

### **9.1.4 On-programme payments (using a Competency qualification as an example)**

392. The following evidence should be retained to support monthly qualification on-programme payments:

- evidence that the learner is registered for the qualification (although providers can require that the learner meets the SLN start criteria before incurring this cost)
- evidence that the learner was registered for the qualification before the last entry date specified by the Awarding Body
- evidence that the provider has assured that the qualification is eligible for Apprenticeship funding

- evidence that the learner is making progress towards achievement of the qualification
- where no progress towards the qualification is being made, there should be evidence of the actions taken to address this.

### **9.1.5 Knowledge based qualification (within Apprenticeships)**

393. The following evidence should be retained to support the qualification delivery:

- the qualification is eligible for Apprenticeship funding
- the learner is registered for and making progress towards the qualification in line with the planned start and end dates on their ILR
- where no progress towards the qualification is being made, there should be evidence of the actions taken to address this
- evidence from the awarding body that the learner has achieved the qualification where applicable
- the provider has ascertained that the qualification is not funded from the Higher Education Funding Council for England (HEFCE) or further education (FE) funds.

### **9.1.6 Key/Functional skills (within Apprenticeships)**

394. The following evidence should be retained to support Functional/key skills delivery:

- the learner is registered for the Functional/Key skill(s)
- the Functional/Key skill is eligible for Apprenticeship funding
- that learning towards the Functional/Key Skill has taken or is taking place and is in line with the planned start and end dates of each Functional/Key Skill on the learner's ILR
- evidence from the awarding body that the learner has achieved the Functional/Key skill, where applicable.

### **9.1.7 Additional learning needs and additional social needs**

395. In addition to the general Agency learning-evidence requirements, additional learning needs (ALN) and/or additional social needs (ASN) payments must be supported by evidence that:

- the provider has documented the arrangements for the identification of those with additional learning and support needs (ALSN), the planning of learning and support to meet those needs, and progress-review arrangements
- for ALN, the learner has been assessed as having needs as described in this document

- for ASN, a clear indication that the learner has needs relating to 2 out of the 10 barriers (or one serious barrier) as detailed in this document
- an additional support plan has been drawn up and agreed by the provider and the learner that meets the requirements set out in this document
- a programme of support designed to address the needs of the learner is being or has been delivered
- the learner's progress has been reviewed in accordance with their plan, the effectiveness of the support has been evaluated and a forward support plan developed at each review.

### **9.1.8 Exceptional learning support**

396. Where Exceptional Learning Support has been claimed that the appropriate permission has been given and the provider can evidence this. Where permission is not required that the process as set out in this document has been followed.
397. The provider must be able to evidence
- The needs have been identified by rigorous assessment and set out within the learners ILP
  - The costs of support needed match those claimed
  - The support has or is being delivered as per the ILP
  - Where permissions are required that they have been given by the Agency.

### **9.1.9 Qualification achievement**

398. Where achievement of the aims within an Apprenticeship is recorded on the ILR the provider must be able to show a certified copy of the aim certificate as issued by the relevant awarding body.
399. Where a provider has direct claim status this may be a copy of the application made to the Awarding Body for certification or a results slip from the Awarding Body where direct status has not been granted.
400. The provider must, within 3 months of the date of achievement, have on file a certified copy of the qualification certificate.

### **9.1.10 Apprenticeship achievement**

401. The date on which an Apprenticeship completion can be claimed is the date that the provider requests from the Authorised Body a completion certificate. This is the date on which the provider sends to the authorised body the evidence required by them to prove that the learner has achieved all the elements required by the Apprenticeship framework. Therefore the evidence required is of the record of the posting, where the postal service is used, of the submission to the authorised body. Although a Certificate of Posting can

be obtained free of charge from the Post Office this is only one example of evidence that may be used.

402. Where the authorised body for issuing Apprenticeship Completion Certificates rejects a provider's application then the achievement must be removed from the ILR data until such time that a further application can be made. Any funds paid to a provider must be returned if the application is rejected and a certificate is not produced.
403. If an Apprenticeship Completion Certificate is issued and subsequently found to be invalid then funds must be returned to the Agency relating to that achievement.

#### **9.1.11 Withdrawal**

404. It is the responsibility of the provider to have and operate a withdrawal and follow-up policy and procedure. This policy should be retained as evidence to support the systems in place.
405. In addition, the provider should hold the following evidence to support the date of leaving recorded on the ILR:
  - clear written evidence of the last date of continued structured learning. This may be the last date of evidenced attendance or other documentation such as a review, assessment or observation materials or portfolio work produced by the learner which shows that the learner was in continued structured learning
  - written notice of termination from the programme.

#### **9.1.12 Training Provider Statement and Learner Support**

406. The mechanism for notifying the Agency of actual data and expenditure incurred, which is not captured on the ILR, is through the Training Provider Statement (TPS) and the submission will remain online. The provider must print a copy of the submission, sign it and retain it for audit purposes.
407. The provider should hold evidence to support the amounts claimed, such as Learner Support, on the TPS. This includes full details of how the volumes and values claimed on the TPS have been calculated in order to provide an audit trail from individual learner funding to total value of funding claimed. This evidence should be held at the time of submission of the TPS. Detailed funding and compliance guidance on completing the TPS is available from the Information Authority website.

#### **9.1.13 Education Maintenance Allowance**

408. An overview of the Agency's audit arrangements for the Education Maintenance Allowance (EMA) is detailed in the EMA Provider Guidance 2010/ available at <http://ema.ypla.gov.uk/resources/guidance/>.

409. Usually, the Agency audit of EMA payments takes place at the same time as other funding audits. For each learner, there should be evidence that:
- the learner satisfies the programme eligibility rules and criteria detailed in the companion document Learner Eligibility Guidance and in the EMA Provider Guidance 2010/11 available at <http://ema.ypla.gov.uk/resources/guidance/>
  - the EMA Agreement has been completed correctly
  - attendance has supported weekly payment decisions, including evidence supplied by sub-contractors, and
  - learners have been notified of non-payment decisions.

#### **9.1.14 Retention of documents**

410. Documents are to be retained for inspection as specified in the providers contract or funding agreement.
411. Currently electronic storage of documents is not supported. The agency is actively engaged in pilots looking at electronic evidence and storage based on national standards. The outcome of these pilots will be used to inform policy.

## Section 10 - Funding Rate Principles

### 10.0.1 The Formula

412. The Agency's funding formula is:

$$\text{Funding} = (\text{SLN} \times \text{National Rate} \times \text{Provider Factor}) + \text{ALS}$$

### 10.0.2 SLN Values

413. Each learning aim has an SLN value reflecting the size of the learning aim irrespective of its duration. Learning aims are either funded at a listed SLN value, or are unlisted.
414. All learning aims within the employer-responsive funding model are listed, based on the activity costs approach.
415. The national rate applied to the SLN includes a contribution to the overheads of the provider. The provider needs to prioritise how this will be allocated to competing demands within the organisation.
416. Funding rates for 2010/11 will be stated as SLN values on the Learning Aim Database (LAD) and used as a basis for the funding calculations in all demand-led funding models. An SLN value is a measure of fundable volume for a whole learning aim, irrespective of the time taken to deliver it.
417. In classroom and other group-based environments, SLN values are directly related to guided learning hours (glh). In work-based and distance learning environments, they are related to activity in terms of a mixture of one-to-one contact and group-based hours.
418. In general, employer-responsive SLN values are derived from activity and learner-responsive SLN values are derived from glh.

### 10.0.3 National funding rates for 2010/11

419. The rates for 2010/11 per SLN based on age of the apprentice when they start their Framework are

420.

- 16–18 Apprenticeships            £2,920
- 19-24 Apprenticeships            £2,732
- 25+ Apprenticeships                £2,186

#### **10.0.4 Provider Factor**

421. The provider Factor is made up of separate elements. They are

- Area Cost Uplift
- Disadvantage Uplift
- Programme Weighting
- Large Employer factor

#### **10.0.5 Area costs**

422. Previous research showed that there is a clearly marked difference in relative costs between London and the South East, and the rest of England.

423. There is no change to the index of area cost factors in 2010/11. In the employer-responsive model, area cost uplift is determined by delivery location ILR field A23. Where learning is delivered in different places for each element of the framework then each of these locations should be recorded against each aim on the ILR.

424. Section 12 shows the area-costs uplift for 2010/11.

#### **10.0.6 Disadvantage Uplift**

425. Disadvantage Uplift is based on the Index of Multiple Deprivation (IMD) 2004.

426. It is based on the learner home postcode when they start their learning and is based on ILR field L17. This field should not be updated if the learner moves home during learning. An updated postcode is captured in ILR field L22, current postcode, and is not used for funding.

427. Only postcodes in England attract Disadvantage Uplift.

#### **10.0.7 Index of Multiple Deprivation 2004**

428. The IMD 2004 gives a value of relative deprivation for every lower layer super-output area (SOA) in the country, and is widely used in Government. It is based on income deprivation (22.5 per cent), employment deprivation (22.5 per cent), health deprivation and disability (13.5 per cent), education, skills and training deprivation (13.5 per cent), barriers to housing and services (9.3 per cent), crime (9.3 per cent) and living environment deprivation (9.3 per cent).

429. The IMD 2004-based disadvantage uplift will mean the following.

430. Funding for learners living in the 27 per cent most deprived super-output areas of the country will be increased for disadvantage.

431. The funding uplift for these learners ranges from 8 to 32 per cent, depending on the level of deprivation recorded in IMD 2004.
432. The uplift values for individual postcodes are published by the Data Service.

#### **10.0.8 Programme weighting**

433. Programme weightings for all learning aims are taken from the LAD.
434. Programme weighting is used to distinguish between those qualification require the same amount of activity but the relative costs of those activities are different. This may be due to the cost of materials, equipment or staff required to deliver learning.
435. In Apprenticeships the programme weighting may be different for the competency and underpinning qualifications as the delivery modes vary.

#### **10.0.9 Large employer factor**

436. Where the employer of the apprentice has more than 1000 employees, directly or indirectly including parent and subsidiary companies then a reduction of 25% of the funding rate will be applied.
437. A reference list will be produced prior to the start of the funding year from EDS containing a list of employers identified as having greater than 1000 employees. This list will use ILR field A44, Employer Identifier, in the funding calculation.

#### **10.0.10 Funding**

438. The funding paid is a multiple of the above factors. The same SLN value is used both in 16-18, 19-24 and 25+ Apprenticeships.

### **10.1 Employer Contributions**

439. It is Government policy that for apprentices aged 19 years or more when they first start a framework that their employer is expected to make a contribution towards the cost of learning. Therefore for all learners aged 19 years or more when they first start will have the funding rate reduced by the expected employer contribution.
440. The expected employer contribution for 2010/11 will be 50% of the respective 19-24 or 25+ Apprenticeship funding.
441. Providers are reminded that expected employer contributions in Apprenticeships are not necessarily cash payments, but can be contributions to the delivery of the activity (for example, by use of employers' own staff, premises, materials and/or equipment in the delivery of the Apprenticeship).

442. The only exception to this is for apprentices who were 16-18 years old when they first started or 19-24 year old apprentices who are eligible for enhanced funding.

## Section 11 - Funding Formula

### 11.0.1 The Formula

443. The formula that underpins the demand-led funding models that is used by the Agency has been stated in previous Learning and Skills Council (LSC) consultations and documents.
444. The figure below illustrates how the key elements of the formula combine to produce the rate paid.

#### Elements of the funding formula



445. In the Employer Responsive model, the SLN type used is SLN instalments. This is then multiplied by the provider factor weightings from in-year data in the calculation of funding. The provider factor that is based on a prior year's data is only used in order to set an appropriate maximum contract value. The employer-responsive model is described in more detail later in this document.
446. The value of the SLN and the Provider Factor will remain constant for the whole of the period during which the learning aim is funded. The National Rate per SLN could vary from year to year.

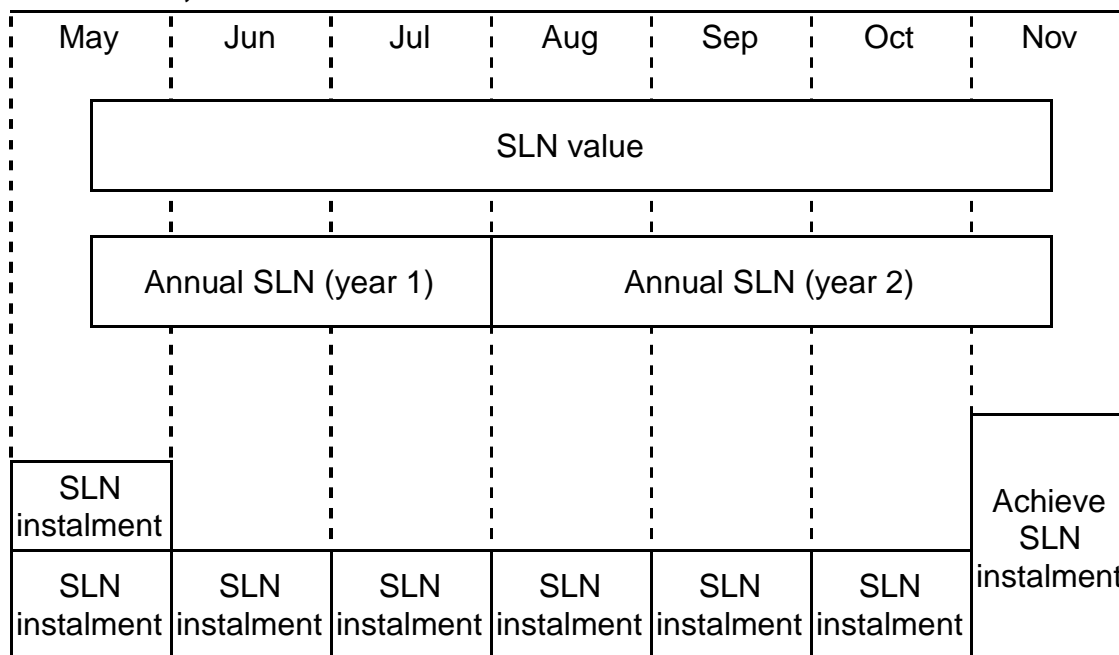
### 11.0.2 SLN instalments

447. SLN instalment is the measure used directly in the funding calculations for the purposes of calculating the actual funding at learning aim level for the Employer Responsive model.
448. SLN instalments are derived from the SLN value by application of the SLN instalment section of the funding calculations.
449. This process distributes the SLN value across periods (with an achievement element and balancing element in the relevant months) in order to derive SLN instalments, and distinguishes the SLN instalment from other measures.

450. SLN instalments are calculated on a monthly basis to support the payments, but can be summed up to annual level for contracting purposes.

451. The figure below graphically displays the relationship between SLN value, annual SLN and SLN instalments for a learning aim that starts during May and is achieved during November.

**SLN values, annual SLNs and SLN instalments**



452. 'SLN instalment' refers to each of the 'on-programme' SLN instalments which are the monthly proportion of the SLN value after removing the achievement element. Note that two SLN instalments are generated in the first month of a programme to recognise the higher costs at enrolment.

**11.0.3 Definition of a start**

453. SLNs will be counted when a learner is deemed to have started based on ILR field A27.

454. A learner is deemed to have started a learning aim once they have started structured learning which contributes evidence towards gaining a qualification or framework. Initial or diagnostic assessment and induction are not considered to constitute learning and therefore do not qualify for defining a start.

### Criteria for SLN start purposes

Learning aim length in-year	Start period
Greater or equal to 24 weeks	6 weeks (42 days)
2 to 24 weeks	2 weeks (14 days)
Less than 2 weeks	1 learning engagement

455. If the learner fails to be in learning at the end of the start period any funds paid to the provider will be clawed back.

#### 11.0.4 SLN Instalments

456. SLN instalments are only applicable to the employer-responsive model.
457. SLN instalments are based on learner enrolments, monthly retention and achievement. They are calculated separately for each month of each learner's programme.
458. SLN instalments fall into three types:
- Achievement;
  - On-programme;
  - Balancing.

#### 11.0.5 Achievement SLN instalments

459. For Apprenticeships, 25 per cent of the SLN value of the main aim is generated on achievement of the Apprenticeship framework. This is the achievement SLN instalment. Functional/Key skills and knowledge based qualifications within Apprenticeships do not have an achievement SLN instalment.
460. For all other employer-responsive provision, 25 per cent of the SLN value for each learning aim is generated on achievement of the learning aim. This is the achievement SLN instalment.

#### 11.0.6 On-programme SLN instalments

461. Once the achievement element has been removed from the SLN value, the remainder is apportioned across the number of planned periods for the learning aim. This is taken from ILR fields A27 and A28.
462. A learning aim is deemed to be planned in a period if it starts before or on, and is planned to end on or after, the associated period census date, which is the last day of the month.

463. The on-programme SLN instalment of the first period of any learning aim is twice the size of the rest. The apportionment of the SLN value across periods takes account of this 'n+1' approach. Where n is the number of census points between the dates in ILR fields A27 and A28. Only the first period of the entire learning aim is double-sized – if a learning aim crosses more than one funding year then the first period of the second and subsequent funding years is not double-sized.
464. An on-programme SLN instalment is earned if the learner has both started according to the above definition and has actually crossed the associated period census date.

#### **11.0.7 Balancing SLN instalments**

465. If a learning aim is achieved before the final planned period then a balancing SLN instalment is produced.
466. The value of the balancing SLN instalment is the difference between the SLN value and the sum of the achievement and on-programme SLN instalments. In effect, that is the combined value of the on-programme SLN instalments for the planned periods that occur after the actual end date.

#### **11.0.8 Fully-funded/co-funded**

467. All Apprenticeship for 19-24 and 25+ are co-funded where there is an expected employer contribution of 50%.

#### **11.0.9 Funding over multiple years**

468. The principle of using SLN instalments is vital as the National Funding Rate has changed each year since the introduction of Demand-led Funding. Therefore, although the actual values of SLN instalments do not change during a learners aim the actual cash value will.

#### **11.0.10 Additional Learning Support**

469. Additional Learning Support is a monthly payment added to the learner funding. It is generated from ILR field A53 as either ALN or ASN or Both ALN and ASN.
470. It is paid each month as long as the learner is still in learning on the census date. If the learner continues in learning past the expected end date, ILR field A28, it will continue to be paid until that aim is either achieved or the learner withdraws from the aim.
471. If the provider enters values in ILR field A53 for more than one aim then payment will continue until the final aim in the Apprenticeship is achieved or closed.

### **11.0.11 Transitional Funding Arrangements 2008/09 and 2009/10**

472. During 2008/09 and 2009/10 transitional arrangements were in place to take into account the introduction of Demand-led Funding. These arrangements will cease at the end of 2009/10 and will not be available in 2010/11. Any funding relating to 2009/10 must be claimed in 2009/10 on the TPS relating to correct month. The Agency will not, under any circumstances, fund any claim relating to 2009/10.

## Section 12- Area-costs uplift by region

A full list of postcode and Area-costs uplift can be found on the Data Service website.

<b>London A 1.20</b>	
Camden	Lambeth
Fulham	Lewisham
Greenwich	Newham
Hackney	Southwark
Hammersmith	Tower Hamlets
Haringey	Wandsworth
Islington	Westminster
Kensington and Chelsea	
<b>London B 1.12</b>	
Barking and Dagenham	Havering
Barnet	Hillingdon
Bexley	Hounslow
Brent	Kingston upon Thames
Bromley	Merton
Croydon	Redbridge
Ealing	Richmond upon Thames
Enfield	Sutton
Harrow	Waltham Forest
<b>Bedfordshire and Hertfordshire Non-fringe 1.03</b>	
Bedfordshire County Council	North Hertfordshire
Bedford	South Bedfordshire
Luton	Stevenage
Mid-Bedfordshire	

<b>Berkshire, Surrey and West Sussex Fringe 1.12</b>	
Surrey County Council	Runnymede
Bracknell Forest	Slough
Crawley	Spelthorne
Elmbridge	Surrey Heath
Epsom and Ewell	Tandridge
Guildford	Waverley
Mole Valley	Windsor and Maidenhead
Reigate and Banstead	Woking
<b>Berkshire Non-fringe 1.12</b>	
Reading	Wokingham
West Berkshire	
<b>Buckinghamshire Non-fringe 1.07</b>	
Aylesbury Vale	Milton Keynes
Wycombe	
<b>Hampshire and Isle of Wight 1.02</b>	
Basingstoke and Deane	Isle of Wight
East Hampshire	New Forest
Eastleigh	Portsmouth
Fareham	Rushmoor
<b>Hampshire and Isle of Wight 1.02 (continued)</b>	
Gosport	Southampton
Hampshire County Council	Test Valley
Hart	Winchester
Havant	

<b>Hertfordshire and Buckinghamshire Fringe 1.10</b>	
Broxbourne	South Buckinghamshire
Chiltern	St Albans
Dacorum	Three Rivers
East Hertfordshire	Watford
Hertsmere	Welwyn Hatfield
<b>Kent and Essex Fringe 1.06</b>	
Basildon	Harlow
Brentwood	Sevenoaks
Dartford	Thurrock
<b>Oxfordshire 1.07</b>	
Oxfordshire County Council	West Oxfordshire
Cherwell	Oxford
South Oxfordshire	Vale of White Horse
<b>West Sussex Non-fringe 1.01</b>	
Adur	Arun
Chichester	Horsham
Mid-Sussex	Worthing

## Section 13 - Acronyms and Glossary

<b>Acronym / Glossary</b>	<b>Non-abbreviated term</b>
20010-11	Denotes a financial year (April-March)
2010/11	Denotes an academic year (August – July)
AASE	Advanced Apprenticeship in Sporting Excellence
ALG	Adult Learner Grant
ALN	Additional learning needs
ALS	Additional learning support
APEL	Accreditation of prior experience and learning
ASN	Additional social needs
BIS	Department for Business, Innovation and Skills
BSA	Basic Skills Agency
DCSF	Department for Children, Schools and Families
DEL	Distributed and electronic learning
EEA	European Economic Area, consisting of the states of the EU plus Iceland, Liechtenstein, Switzerland and Norway
ELS	Exceptional learning support
EMA	Educational Maintenance Allowance.
ESF	European Social Fund
ESOL	English for speakers of other languages
EU	European Union.
FE	Further education
GCSE	General Certificate of Secondary Education
Glh	guided learning hours
HE	Higher Education
HEFCE	Higher Education Funding Council for England
IAG	Information, advice and guidance
ICT	Information and communications technology
ILP	Individual Learning Plan
ILR	Individualised learner record
IMD 2004	Index of Multiple Deprivation 2004

ITQ	NVQ for IT Users
JSA	Jobseeker's Allowance
LA	Local authority
LAD	Learning Aim Database (at: <a href="http://providers.lsc.gov.uk/lad">http://providers.lsc.gov.uk/lad</a> )
LIS	Learner Information Suite (at <a href="http://www.lsc.gov.uk/providers/Data/Software/LIS/">www.lsc.gov.uk/providers/Data/Software/LIS/</a> )
LLDD	Learners with learning difficulties and disabilities
LSC	Learning and Skills Council
LS	Learner support
LSN	Learning and Skills Network
MoD	Ministry of Defence
NAS	National Apprenticeship Service
NEET	Not in education, employment or training
NES	National Employer Service
NQF	National Qualifications Framework
NVQ	National Vocational Qualification
PF	Provider factor
PFA	Provider financial assurance
PFR	Provider Funding Report
PLA	Programme-led Apprenticeship
PLP	Programme-led pathway
PW	Programme weighting
PWF	Programme-weighting factor
QAA	Quality Assurance Agency
QCF	Qualifications and Credit Framework
RPL	Recognition of Prior Learning
SLN	Standard Learner Number
SSB	Sector skills board
SSC	Sector skills council
TC	Technical Certificate
TPS	Training Provider Statement

TtG	Train to Gain
TUC	Trades Union Congress
UPIN	Unique provider identification number
VRQ	Vocationally related programme
WBL	Work-based learning (a funding stream up to 2007/08)
UKPRN	UK provider registration number
UKRLP	UK Register of Learning Providers

## 13.1 Definitions and Terminology

This section provides detailed definitions of some of the Key terms used in these requirements.

### **16–to 18-year-old learner**

For the Employer Responsive funding model a 16- to 18-year-old learner is aged 16, 17 or 18 on the day the learner starts their Apprenticeship framework. The funding associated with a framework is based on the start of the framework and not on the individual elements. If a learner progresses on to another Apprenticeship framework, at the same or higher level, then the age of the learner when starting that subsequent framework will determine funding and not the age at the start of the original framework.

The Agency does not fund 16-year-old school-leavers until after they have left school. The official school-leaving date for England is the last Friday in June of the academic year. All Apprentices funded by the Agency are subject to this date even if they have lived previously outside of England where different rules apply.

### **19 or over learners (also referred to as adult learners)**

For the Employer Responsive funding model a 19+ learner is aged 19 years of age or more on the day the learner start date. The funding associated with a framework is based on the start of the framework and not on the individual elements. If a learner progresses on to another Apprenticeship framework, at the same or higher level, then the age of the learner when starting that subsequent framework will determine funding and not the age at the start of the original framework.

### **25 or over learners**

The definition of a learner aged 25 or over mirrors that relating to the younger groups. A learner aged 25+ is aged 25 or over on their start date.

### **Absence**

A provider may continue to claim funding for reasonable absences of up to four weeks (28 days) by learners from their programmes who continue in learning after the absence. The Agency does not distinguish between authorised and unauthorised absence for funding purposes.

### **Actual leaving date**

The date when the learner completes their learning activity, or the date when the learner is deemed to have terminated the learning activity, if this is an earlier date (as set out in the ILR guidance, Specification of the Individualised Learner Record 2010/11).

### **Additional learning needs**

Additional learning needs (ALN) relate to the learner's intrinsic ability based on current competency of literacy, numeracy and language based on a diagnostic assessment. Only applicable where the learner is assessed at Level 1 or below.

### **Additional learning support**

Additional learning support (ALS) is any activity that provides direct support for learning to individual learners, over and above that which is normally provided in a standard learning programme that leads to their learning goal. ALS is required to help learners gain access to, progress towards and successfully achieve their learning goals. The need for ALS may arise from a learning difficulty and/or disability, or from literacy, numeracy or language support requirements.

In the employer-responsive context it includes financial support that enables young people to take up and remain on their programme. It includes enhancements to monthly payments for learners assessed as having an additional learning need and/or an additional social need. Exceptional learning support and support for learners with disabilities is also included within ALS.

### **Additional social needs**

Additional social needs (ASN) relate to the emotional, behavioural or motivational abilities of the learner.

### **Advanced Apprenticeships**

Advanced Apprenticeships are a framework of qualifications where the main aim is a Level 3 qualification.

### **Advanced Apprenticeship in Sporting Excellence**

The Advanced Apprenticeship in Sporting Excellence (AASE) is unique in purpose and structure, and therefore a number of different features have been agreed for it. The AASE can only be delivered by those providers with specific approval from the Agency.

### **Agreed break in learning**

A break in learning may be taken as agreed between the learner and the provider, the learner having expressed the intention of returning by a set date. In respect of the employer-responsive model, where the learner is employed, maternity leave can be extended to match that of an employer's maternity leave scheme if this is greater than the statutory twelve months.

### **Apprenticeships**

Apprenticeships are a framework of qualifications where the main aim is a Level 2 qualification. See website [www.apprenticeships.org.uk](http://www.apprenticeships.org.uk).

### **Apprenticeship completion date**

This is the date on which the provider has all the evidence that the learner has completed all the elements of the framework and applies to the issuing authority for the Apprenticeship completion certificate. That is, the date the application is posted.

### **Apprenticeships framework**

Apprenticeships frameworks are completed by learners who are engaged in the full Apprenticeships training specification, and are developed by the relevant Sector Body or Sector Skills Council. Apprenticeships frameworks incorporate the set criteria, outcomes and good practice.

### **Apprenticeships framework completion certificate**

The Apprenticeships framework completion certificate complies with national requirements and is approved by the relevant Issuing Authority. It is issued to the apprentice on completion of learning to confirm that the minimum requirements of the Apprenticeships have been achieved.

### **Area costs**

This is a funding uplift that reflects the fact that, in some geographical areas, higher salaries are needed to attract and retain staff of a similar standard.

### **Consortium**

An association of two or more legal entities engaged in a business enterprise in which the profits and losses are shared proportionally. Each organisation is jointly and severally liable with the consortium for the obligations of the consortium and the wrongful acts or omissions of a co-member of the consortium.

### **Basic skills**

Adult basic skills provision is defined as provision that caters for the literacy, language and numeracy needs of post-16 learners, including those with learning difficulties and/or disabilities, from pre-Entry level up to and including Level 2. In the context of basic skills, 'adult' refers to any learner over the age of 16 (that is, one who is no longer in compulsory education), with no upper age limit. Provision may be delivered as stand-alone or as part of a vocational programme or additional learning aim; it may be delivered full-time, part-time, or through self-study or information and communications technology (ICT). This definition applies to provision that has been approved as basic skills by the Secretary of State or non-approved Entry level and pre-Entry level provision that is based on the national standards for adult literacy and numeracy. Basic Skills qualifications are not funded through Apprenticeship funding.

### **Disability**

The Disability Discrimination Act 1995 describes a person as having a disability if they have a physical or mental impairment which has a substantial and long-term adverse effect on their ability to carry out normal day-to-day activities. Guidance about the terms used within the definition, and what is meant by 'day-to-day activities' is given in the Disability Discrimination Act 1995 Part 1, and in the Department for Works and Pensions (DWP) 2005 Consultation Document, *'Guidance on Matters to be Taken into Account in Determining Questions Relating to the Definition of Disability'*.

### **Disadvantage uplift**

The purpose of the disadvantage uplift is to ensure that certain learners that reside in a particular location attract a funding enhancement that reflects both their relative disadvantage and the expected additional costs incurred by providers in attracting, retaining and supporting such learners. It is applied using the postcode of the learner when they start learning.

### **Employed**

For the purpose of funding, an 'employed' individual is an apprentice who is engaged by another under a contract of Employment. Further details of the definition of an employed individual can be found on the HMRC website at <http://www.hmrc.gov.uk/employment-status/index.htm#1>.

### **Employer contributions**

In the employer-responsive funding model the employer contribution is a proportion of the value of Skills Funding Agency funding that would be generated by multiplying the SLN value for the programme by the provider factor weightings and by the Skills Funding Agency published national rate for the programme of study. This formula is expressed in the following bracket (SLN x Provider Factor Weightings x National Funding Rate) and for Apprenticeship co-funded learners the employer contribution percentage required is 50% for 2010/11.

### **First or Firstness**

This describes qualifications that a learner is following at a higher level than of that already attained. For example a learner whose highest qualification is a Level 1 (GCSEs at grades D to G) following a Level 2 qualification will be described as following a 'first' Level 2. A learner whose highest prior achievement is Level 2 (5 GCSEs at grades A\* to C) will not be following a 'first' Level 2. 'Firstness' describes groups of learners or qualifications where the learners are following a 'first' qualification.

### **Formula-funded provision**

Formula-funded provision comprises any programme provision funded by the Skills Funding Agency using the information supplied in the provider's ILR return under any of the funding models described in this document.

### **Franchise**

A right to sell a company's products in a particular area using the company's name.

### **Functional/Key skills**

There are three Functional/Key skills qualifications at Levels 1 to 4: Communication or English, Application of Number or Mathematics and Information Technology (IT).

There are also three wider Functional/Key skill units at Levels 1 to 4: Working with Others, Improving Own Learning and Performance, and Problem-solving.

In respect of Apprenticeships the number and level of Functional/Key Skills funded is determined by the Apprenticeship framework being followed, with only those Functional/Key skills required by the framework at the level described or higher being funded. Providers may deliver wider Functional/Key skills to the learner but these must be recorded as non-funded on the employer-responsive ILR.

### **Gained**

This is the date that an outcome is determined or an approved qualification is achieved (which means the date when a certificate or any other acceptable evidence is first issued). For providers with direct claim status, the date of

achievement is the internal verification date. For providers without direct claim status, the date of achievement is the external verification date. For qualifications that involve exams this is when the results have been returned to the provider and not the actual date of the exam.

### **Guided learning hours**

Guided learning hours (glh) are defined as all times when a member of staff is present to give specific guidance towards the learning aim being studied on a programme. This definition includes lectures, tutorials and supervised study in; for example, open learning centres and learning workshops. It also includes time spent by staff assessing a learner's achievements, for example in the assessment of a competence qualification. It does not include time spent by staff in the day-to-day marking of assignments or homework where the learner is not present. It does not include hours where supervision or assistance is of a general nature and is not specific to the study of the learners.

### **Higher Apprenticeships**

Higher Apprenticeships are a framework of qualifications where the main aim is a Level 4 qualification. In 2009/10 they were referred to as a Higher Level Apprenticeship. Where a knowledge based qualification is at Level 4 then this will be funded by the Higher Education Funding Council for England (HEFCE).

### **Individualised learner record**

The individualised learner record (ILR) is used by providers to record all relevant funding data about Skills Funding Agency funded learners. More information can be found in the ILR guidance *Individualised Learner Record Specification for 2010/11* available at: <http://www.theia.org.uk/downloads/ilrdocuments/>.

### **Information, advice and guidance**

All learners regardless of level, age or programme must be able to access information, advice and guidance (IAG) services to enable them to consider further learning opportunities, progression and career choices. This is a key expectation in support of our priorities for Skills for Life, full Level 2 and Level 3 qualifications and for Higher-level Skills.

### **In-learning**

A learner who has commenced an agreed course of learning and has not yet finished that course of learning is said to be in-learning. A learner continues to be counted as being in-learning even if that learner is not attracting funding because they have drawn down or been paid all the on-programme funding attracted by the programme.

### **In-learning census date for employer-responsive funded programmes**

In the employer-responsive model this is the census date at which a learner must be classified as being in learning for a payment for that period (month or week) to be received. A learner who leaves on a census date is counted as being in learning for that month for funding purposes. A learner who starts on a census date is also counted as being in-learning for that month for funding purposes. Once the census date has passed, if the learner is no longer in learning, funding will not be generated for that learner.

### **Issuing Authority**

An approved organisation that issues Apprenticeship Frameworks for their sector. Prior to 2010/11 this may be either a Sector Skills Council or Sector Body.

### **Joint-venture company**

A company jointly owned by the Lead Provider and one or more other organisations independent of the Lead Provider;

### **Lead Provider:**

The legal entity with which the Chief Executive of Skills Funding has a direct legal relationship;

### **Learner**

In these requirements, this refers to an eligible learner who has commenced their learning programme. An ex-learner whose learning has been terminated is also referred to as a learner with respect to their terminated course.

### **Learner eligibility**

The Skills Funding Agency will consider as eligible for funding any person who meets the criteria described in the document *Learner Eligibility Guidance 2010/11*.

### **Learner support**

Previously known as Additional Learner Support. Funding is made available to directly support unemployed learners for activity not directly associated with learning. This includes;

- hardship
- childcare
- travel
- residential accommodation
- equipment, such as personal protection.

### **Learning**

Learning is defined as a process of planned activities that the learner engages in, and that is specifically designed for imparting the knowledge, skills and competence that are required for effective participation in the labour market. Assessment and induction are not defined as learning.

### **Learning aim**

A learning aim is defined as a single element of learning that attracts a funding at a listed SLN value. Each learning aim is listed on the Learning Aims Database. The listing of an aim should not be confused with its eligibility for funding.

### **Learning programme**

A learning programme comprises of all of a learner's activities that involve the use of the resources of the provider at which the learner is enrolled. A learning programme may be composed of one or several learning aims.

### **Maximum hours of work**

All employed learners are subject to the Working Time (Amendment) Regulations 2002. For Programme-led Apprenticeships a maximum number of 37 hours of work and learning applies.

### **National Rate**

The National Rate is the national funding rate applied in each of the funding models to the SLN value calculated for each programme. Together this reflects the size of the learning aim and the basic cost of delivery. It includes the funding elements for assumed fee income and achievement. For adult provision the co-funded provider rate excludes the value of fee remission.

### **Outcome**

The outcome of a learning programme is the achievement by learners of an approved qualification.

### **Partnership**

An association of two or more persons engaged in a business enterprise in which the profits and losses are shared proportionally. The legal definition of a partnership is generally stated as "an association of two or more persons to carry on as co-owners of a business for profit" (Revised Uniform Partnership Act § 101 [1994]). Each partner is legally obliged to be registered as self-employed with HMRC. Each partner is jointly and severally liable with the partnership for the obligations of the partnership and the wrongful acts or omissions of a co-partner;

### **Personal adviser**

A personal adviser is the named Connexions person who works with a young person and who has responsibility for supporting that person to help them enter education or training and to achieve their learning aims.

### **Pre-entry advice and guidance**

The Skills Funding Agency considers it essential that learners have access to clear and full information on the costs of programmes before enrolment.

The funding for each learner's programme is still based on the principle that learners are provided with pre-entry advice and guidance. Such advice and guidance are crucial if the learning programme is to match a learner's aspirations, expectations and abilities. Providers must not claim separate funding for a learning aim that represents provision typically forming part of pre-entry advice and guidance or induction activities.

### **Programme-led apprentice**

A programme-led apprentice is a non-employed learner on an Apprenticeship following the whole Apprenticeship framework funded through employer-responsive funding.

### **Programme weighting**

Programme weighting is a funding uplift reflecting the fact that some learning aims of similar length are more costly to deliver than others; for example, engineering provision is more costly than business administration.

**Provider**

A college or other provider of education and training.

**Provider Funding Report**

Provider Funding Reports (PFRs) are reports that are available to the provider from the ILR data submitted. The reports detail the actual earned current position of a provider against its profile, based on the information the provider has supplied in the form of their data return.

**Qualifications and Credit Framework**

The Qualifications and Credit Framework is a new way of recognising achievement through the award of credit for the achievement of units and qualifications. It provides a simple and rational organising framework that presents learner achievement and qualifications in a way that is easy to understand, measure and compare. It gives individuals the opportunity to learn in a more flexible way and enables a wider range of organisations, including employers, to have their training recognised.

The Qualifications and Credit Framework is a key strand of the Government's Vocational Qualification Reform Programme. The Skills Funding Agency is responsible for implementing the framework across the wider post 19 skills system in England, and for delivering the changes made to the Personal Learning Record to support the additional Qualifications and Credit Framework services which will operate in England, Wales and Northern Ireland. For more information see <http://qcf.skillsfundingagency.bis.gov.uk/>.

**School leaving date**

The school leaving date in England is the last Friday in June in the school teaching year in which a young person reaches the age of 16. A learner who has reached the school leaving date in their home country who subsequently moves to England would have to adhere to the English date to be eligible for funding.

**Self-employed**

For the purposes of the Employer responsive Model, a self-employed individual is someone who is registered with HM Revenue and Customs as being self-employed and the learning taking place is related to that occupation.

**Start date**

It is determined by the date on which the learner's learning programme begins. In respect to funding the start date is the day on which structured learning commences. Within a framework each of the elements of framework can have different start dates.

**Sole Trader**

An individual who is registered as self employed with Her Majesty's Revenue and Customs (HMRC).

**Structured Learning**

A learning activity associated with a learners aim or framework. Involves a two way interaction between the learner and the provider.

### **Subcontract**

Where a Lead Provider has entered into a contract with a third party to carry out all or part of the services they are funded by the Chief Executive to carry out.

### **Technical Certificate**

A Technical Certificate (TC) is a vocationally related qualification that provides the underpinning knowledge and forms part of the Apprenticeship. This has now been replaced by Knowledge based qualification.

### **Training Provider Statement**

The Training Provider Statement (TPS) is an auditable electronic return that details the amount of funding earned for non-formula-funded activity. It must be completed on a monthly basis.

### **Unfunded learner**

An unfunded learner is a learner that is not directly funded by the Agency. This may be caused by the constraints of a provider's contract. Provider must not recruit a learner where as a consequence the provider financial contract is breached. An unfunded learner must not at a future time be entered on to a provider's ILR when funding becomes available. Once a learner commences learning and is not funded by the Agency they CANNOT become funded at a later date.

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