

in partnership with  
**AC** 2017  
FEWEEKAAC.COM

## Apprenticeship Funding Rules update & FAS

15 Feb, 2017

See [www.lsect.com](http://www.lsect.com) for  
workshops and training days

**OUT NOW!**

USE CODE **lsectevent** FOR  
10% OFF, ORDER BY 28/02/17

**THE COMPLETE GUIDE TO  
FUNDING APPRENTICESHIPS**  
NICK LINFORD

AN **ESSENTIAL GUIDE**  
TO THE FUNDING FOR  
EVERY **APPRENTICESHIP**  
FRAMEWORK AND  
STANDARD IN ENGLAND

**LSECT**  
LEARNING & SKILLS  
EVENTS, CONSULTANCY & TRAINING

IN PARTNERSHIP WITH  
**noctn**  
CREATING OPPORTUNITIES



**LSECT**  
LEARNING & SKILLS  
EVENTS, CONSULTANCY & TRAINING

## Welcome to this Lsect webinar

More than 1,600 registrations for this webinar

### Agenda

14:00 Registration

14:05 Apprenticeship Funding Rules update  
Nick Linford, author of the Complete Guide to Apprenticeships

14:35 Introduction to the Funding Apprenticeships System  
(FAS @ [www.fas.report](http://www.fas.report))

15:00 End

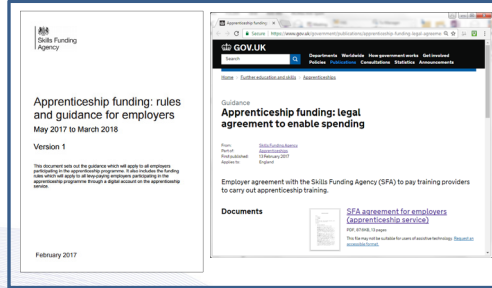
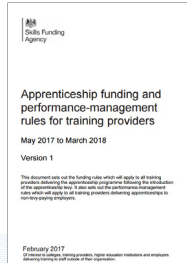
in partnership with

**AC** 2017  
FEWEEKAAC.COM

## The key documents (for starts from May 2017)



<https://www.gov.uk/government/publications/apprenticeship-funding-and-performance-management-rules-2017-to-2018>

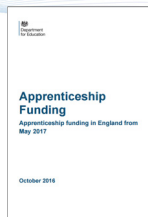


<https://www.gov.uk/government/publications/apprenticeship-funding-legal-agreement-to-enable-spending>



Apprenticeship frameworks and standard funding bands from May 2017

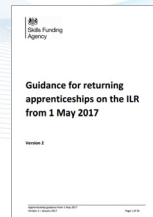
<https://www.gov.uk/government/publications/apprenticeship-funding-bands>



<https://www.gov.uk/government/publications/apprenticeship-funding-from-may-2017>

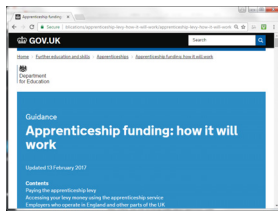


<https://www.gov.uk/government/publications/apprenticeship-technical-funding-guide>

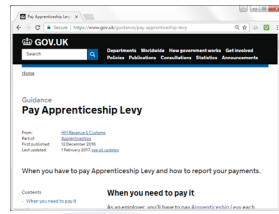


<https://www.gov.uk/government/publications/ilr-guides-and-templates-for-2016-to-2017>

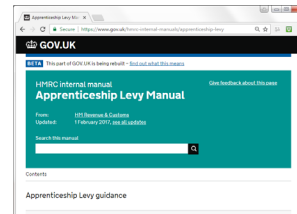
## The key webpages (for starts from May 2017)



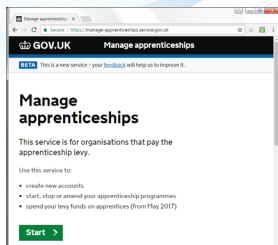
<https://www.gov.uk/government/publications/apprenticeship-levy-how-it-will-work/apprenticeship-levy-how-it-will-work>



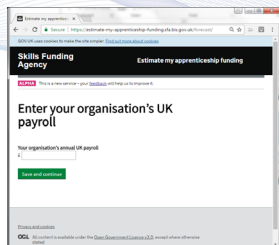
<https://www.gov.uk/guidance/pay-apprenticeship-levy>



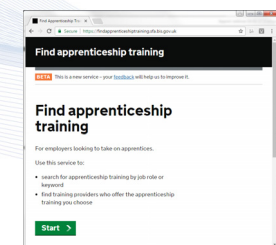
<https://www.gov.uk/hmrc-internal-manuals/apprenticeship-levy>



<https://manage-apprenticeships.service.gov.uk/>

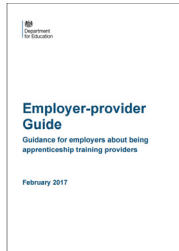


<https://estimate-my-apprenticeship-funding.sfa.bis.gov.uk/forecast/>

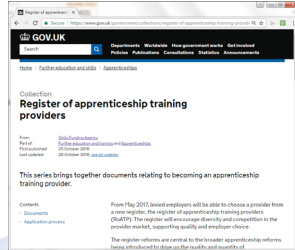


<https://findapprenticeshiptraining.sfa.bis.gov.uk/>

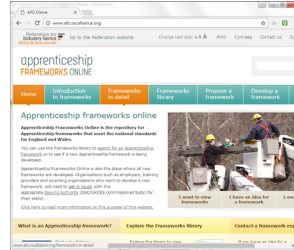
## Also (for starts from May 2017)



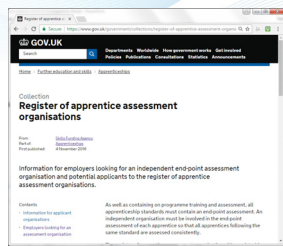
<https://www.gov.uk/government/publications/apprenticeships-become-a-training-provider>



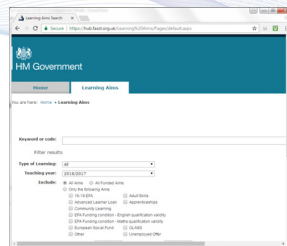
<https://www.gov.uk/government/collections/register-of-apprenticeship-training-providers>



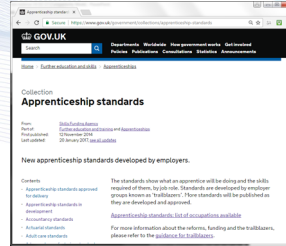
<http://www.afo.sscalliance.org/>



<https://www.gov.uk/government/collections/register-of-apprentice-assessment-organisations>



<https://hub.fasst.org.uk/Learning%20Aims/Pages/default.aspx>

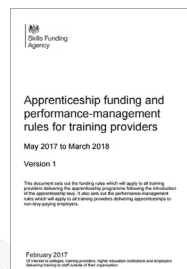


<https://www.gov.uk/government/collections/apprenticeship-standards>

## Draft and final funding rules for providers



**Draft** (October 2016)  
52 + 7 = 59 pages



**Final** (February 2017)  
60 pages

Sadly there is no version documentation that identifies any significant changes

Funding rules for providers		Funding rules for providers	
Draft (excl. performance management rules)		Final (incl. performance management rules)	
Contents		Contents	
Introduction and purpose of the document	4	Introduction and purpose of the document	3
Understanding the terminology	6	Understanding the terminology	4
What is an apprenticeship?	8	What is an apprenticeship?	5
Apprenticeship duration	9	Apprenticeship duration and employment hours	8
Who can be funded?	10	Who can be funded?	9
Learners with learning difficulties and disabilities	13	Apprentices with learning difficulties and disabilities	12
Apprenticeship training agency (ATA)	14	Apprenticeship training agency (ATA)	12
What can be funded?	15	What can be funded?	13
Additional payments	17	Additional payments	15
Apprenticeship Grant for Employers (AGE) for 16- to 24-year-olds	18	Extra support for small employers	16
Extra support for small employers	23	Support for English and maths training	17
Support for English and maths training	23	End-point assessments	19
End-point assessments	25	Contracting and subcontracting	20
Contracting and subcontracting	27	Disputes and issue resolution between the employer and main provider	24
Disputes and issue resolution between the employer and main provider	32	Paying for an apprenticeship	24
Paying for an apprenticeship	33	The price of an apprenticeship	24
The price of an apprenticeship	33	When payments are made	25
When payments are made	33	Value added tax (VAT)	26
Value added tax (VAT)	34	Funds in an employer's digital account	26
Funds in an employer's digital account	34	Employer co-investment	27
Employer co-investment	34	Qualifying days for funding	27
Qualifying days for funding	35	State aid	28
State aid	35	Recovery of funds	28
Recovery of funds	36	Delivering the apprenticeship	28
Delivering the apprenticeship	37	The commitment statement between the employer, apprentice and main provider	28
The commitment statement between the employer, apprentice and main provider	37	Starting, participating, completing and leaving	29
Employment hours	38	Certification	30
Starting, participating, completing and leaving	38	Changes to the apprenticeship, main provider or employer	30
Certification	39	Redundancy	31
Changes to the apprenticeship, main provider or employer	40	Where training or assessment stops	31
Redundancy	40	Evidence requirements	38
Where training or assessment is no longer being delivered	41	Evidence pack	38
Evidence requirements	42	Confirmation and signatures	40
Evidence pack	42	Individualised learner record (ILR)	40
Confirmation and signatures	44	Self-declarations	41
Individualised learner record (ILR)	44	Annex A - Exceptional eligibility criteria (who we fund)	42
Self-declarations	45	Annex B - Apprenticeships – performance-management rules for providers delivering apprenticeships to non-relevating employers	47
Annex A - Exceptional eligibility criteria (who we fund)	46	Annex C – Standard national profiles	49
Exceptional eligibility status (To be read together with paragraphs 39 to 52)	46	Annex D – Performance-management point	50
Countries or areas where residency establishes eligibility for our funding	49	Annex E - Apprenticeship grant for employers (AGE) for 16 to 24-year-olds	51
		Glossary	55

Merging of the documents can be seen by comparing content pages

Defining 'genuine job available after completion'	
Draft	Final
<b>What is an apprenticeship?</b>	<b>What is an apprenticeship?</b>
<p>26. An apprenticeship is a job with an accompanying skills development programme. Apprentices cannot be employed solely to deliver an apprenticeship; there must be a genuine job available after they have completed their apprenticeship. Apprentices gain the technical knowledge, practical experience and wider skills they need for their immediate job and future career. The apprentice gains this through a wide mix of learning in the workplace, formal off-the-job training and the opportunity to practise new skills in a real work environment.</p>	<p><b>Genuine job</b></p> <p>P27. An apprenticeship is a genuine job with an accompanying skills development programme. Through their apprenticeship, apprentices gain the technical knowledge, practical experience and wider skills they need for their immediate job and future career. The apprentice gains this through a wide mix of learning in the workplace, formal off-the-job training and the opportunity to practise new skills in a real work environment.</p> <p>P28. By 'genuine' we mean that:</p> <ul style="list-style-type: none"> <li>28.1. the apprentice must have a contract of employment which is long enough for them to complete the apprenticeship successfully or be employed by an apprenticeship training agency (ATA)</li> <li>28.2. the cost of the apprentice's wages must be met by the employer</li> <li>28.3. the apprentice must have a job role (or roles) within the organisation that provides the opportunity for them to gain the knowledge, skills and behaviours needed to achieve their apprenticeship</li> <li>28.4. the apprentice must have appropriate support from within the organisation to carry out their job role</li> </ul> <p>P29. When the apprenticeship is achieved the apprentice should remain with the employer, where a job opportunity continues to exist and where the apprentice wishes to remain. Where this is not possible, the apprentice must be supported by their provider and employer to seek alternative opportunities.</p> <p>P30. The SFA will monitor apprentice destination data and HMRC data to ensure that job roles are genuine and are not created purely for the purposes of the apprenticeship programme. We will take action if employer recruitment practice is detrimental either to the apprentice or to the apprenticeship brand.</p>

Defining “at least 20% off-the-job training”	
Draft	Final
<p>29. To use funds in an employer's digital account or from government-employer co-investment for an apprenticeship, you must:</p> <p>29.1. retain evidence of the apprentice's employment</p> <p>29.2. be satisfied that this is the most appropriate learning programme and have evidence that it is:</p> <p>29.2.1. a new job role, or</p> <p>29.2.2. an existing job role, where the individual needs significant new knowledge and skills and</p> <p>29.3. have evidence that the apprentice spends at least 20% of their time on off-the-job training</p> <p>29.4. have evidence that the job allows the apprentice to gain wider employment experience as part of the apprenticeship</p> <p>27. Off-the-job training is defined as learning which is undertaken outside of the normal day-to-day working environment and leads towards the achievement of an apprenticeship. This can include training that is delivered at the apprentice's normal place of work but must not be delivered as part of their normal working duties. It cannot include any on-programme assessment required for an apprenticeship framework.</p> <p>P44. The employer must allow the apprentice to complete the apprenticeship within their working hours. This includes English and maths. They must provide you with evidence of this for you to keep in the evidence pack.</p>	<p><b>Use of funds</b></p> <p>P34. To use funds in an employer's digital account or from government-employer co-investment for an apprenticeship, you must:</p> <p>34.1. retain evidence of the apprentice's employment</p> <p>34.2. be satisfied that this is the most appropriate learning programme and have evidence that it is:</p> <p>34.2.1. either a new job role</p> <p>34.2.2. or an existing job role, where the individual needs significant new knowledge and skills</p> <p>34.3. and have evidence that the apprentice spends at least 20% of their time on off-the-job training (please see paragraphs 31 and 32), recognising that apprentices may need more than 20% off-the-job training, for example if they need English and maths</p> <p>34.3.1. It is up to you and the employer to decide how the off-the-job training is delivered. This may include regular day release, block release and special training days/workshops.</p> <p>34.4. have evidence that the job allows the apprentice to gain wider employment experience as part of the apprenticeship</p> <p><b>Off-the-job training</b></p> <p>P31. Off-the-job training is defined as learning which is undertaken outside of the normal day-to-day working environment and leads towards the achievement of an apprenticeship. This can include training that is delivered at the apprentice's normal place of work but must not be delivered as part of their normal working duties.</p> <p>P32. The off-the-job training must be directly relevant to the apprenticeship framework or standard and could include the following:</p> <p>32.1. The teaching of theory for example, lectures, role playing, simulation exercises, <u>online learning</u>, manufacture training</p> <p>32.2. Practical training, shadowing, mentoring, industry visits and attendance at competitions.</p> <p>32.3. Learning support and time spent writing assessments/assignments.</p> <p>32.4. Off-the-job training does not include:</p> <p>32.4.1. English and maths (up to level 2) which is funded separately (please see paragraphs 98 to 107)</p> <p>32.4.2. progress reviews or on-programme assessment required for an apprenticeship framework or standard</p> <p>32.4.3. training which takes place outside the apprentice's normal working hours (this cannot count towards the 20% off-the-job training)</p>

Digital account or co-investment cannot be used for	
Draft	Final
<p>67.2. Accommodation costs where the apprentice is resident away from their home base, because of the requirements of their day-to-day work or because this is convenient for the employer.</p>	<p>82.13. Accommodation costs where the apprentice is resident away from their home base, because of the requirements of their day-to-day work or because this is convenient for the employer or provider. <u>Residential costs associated with non-mandatory qualifications are also excluded.</u></p>
<p>67.10. Training assessment, exams or tests in any skills and knowledge solely and specifically required to acquire licences to practise, or the certification of any licence to practise, where these are a legal requirement that must be obtained by practitioners to confirm that the licence holder meets prescribed standards of competence for that sector or industry.</p>	<p>82.7. Training, assessment, exams or tests in any skills and knowledge solely and specifically required to acquire licences to practise, or the certification of any licence to practise, where it is a legal (or statutory) requirement for all practitioners to obtain a licence which confirms the licence-holder meets prescribed standards of competence, including situations in which it is unlawful to carry out a specified range of activities for pay without first having obtained a licence. <u>This applies even where such a licence is required in the apprenticeship standard and the assessment plan.</u></p>
<p>67.11. Specific services not related to the delivery and administration of the apprenticeship, including company induction, bespoke or additional training or assessment not needed to meet the apprenticeship requirements.</p>	<p>82.17. Specific services not related to the delivery and administration of the apprenticeship. This includes the recruitment and continuing professional development of staff involved in apprenticeships, company inductions, <u>managing agents and those providing a brokerage service to an employer.</u></p>
<p>67.8. Re-sits for qualifications or end-point assessment needed for the apprenticeship where no additional learning is required.</p>	<p>82.8. End point assessment costs incurred by the training provider but not included in the price agreed between the employer and the apprentice assessment organisation.</p>
	<p>82.11. Re-sits for <u>mandatory qualifications</u> or the end-point assessment needed for the apprenticeship where no additional learning is required.</p>
	<p>82.12. <u>Registration and examination (including certification) costs for non-mandatory qualifications</u> (qualifications that are not specifically listed in the standard).</p>

## New section for PT and those on zero-hours contracts

- P47. Where part-time working is agreed, you must:
- 47.1. record the agreed average number of hours each week
  - 47.2. evidence why this working pattern is needed
  - 47.3. extend the minimum duration using the following formula:
    - 47.3.1.  $12 \times 30 / \text{average weekly hours} = \text{new minimum duration in months}$
- P48. Zero-hours contracts are acceptable only where they meet all of the other rules in this document. For an apprentice with a zero-hour contract you must ensure the employer extends the duration of the apprenticeship in proportion to the hours they work.
- P49. An apprentice with a zero-hours contract must be allowed to complete their apprenticeship in their working hours, including the off-the-job training. Where this is not possible, you must record a break in the apprenticeship. We will monitor working hours' data and apprentice retention to ensure apprentices on zero-hours contracts are given the same opportunity to achieve their apprenticeship as those on fixed hours.
- P50. Working fewer than 30 hours a week or being on a zero-hours contract must not be a barrier to successfully completing an apprenticeship. We will monitor working hours' data and patterns of behaviour to ensure that sufficient regular training and on- and off-the-job activity is done to ensure successful completion of the apprenticeship, regardless of the number of hours worked. We reserve the right to take action where alternative working patterns are not managed appropriately leading to a reduction in the quality of the apprenticeship.

## Use of digital account and co-investment

### Draft

40. To use funds in the employer's digital account or government-employer co-investment, the individual must:
- 40.4. not be asked to contribute financially to the direct cost of learning or use a student loan to pay for their apprenticeship

#### Funds can be used for

- 66.3. E-learning (as part of blended learning that includes practical workplace learning).

#### Funds can be used for

- 66.4. Registration, materials, examination and certification where delivered as part of the apprenticeship programme.

#### Funds can be used for

- 66.5. Any administration directly linked to the training, education and end-point assessment. For example, processing of the ILR and so on.

### Final

- P54. To use funds in the employer's digital account or government-employer co-investment, the individual must:
- 54.4. not be asked to contribute financially to the direct cost of learning or assessment (this includes where an apprentice leaves their programme early; employers must not claim training or assessment costs back from ex-apprentices.)
  - 54.5. not use a student loan to pay for their apprenticeship (where an individual transfers to an apprenticeship from a full-time further education or higher education course, and this course has been funded by a student loan, this loan must be terminated)

#### Funds can be used for

- 79.3. Distance, online or blended learning relating to the off-the-job training element of an apprenticeship.

#### Funds can be used for

- 79.4. Materials (non-capital items) used in the delivery of the apprenticeship framework or standard. By materials (non-capital items) we mean the equipment or supplies necessary to enable a particular learning activity to happen. These items would not normally have a lifespan beyond the individual apprenticeship being funded.

#### Funds can be used for

- 79.5. Any administration directly linked to the training and assessment, including end-point assessment. This includes costs relating to the development of teaching materials, lesson planning, the processing of the ILR and quality assurance.
- P81. Any of the eligible costs outlined in paragraph 79 can be bought in from a third party and we will fund them. Funds from an employer's digital account or government co-investment must not be used to fund other services from a third party.

## Digital account or co-investment cannot be used for

Draft	Final
<p><b>Apprenticeship training agency (ATA)</b></p> <p>60. You must not employ apprentices solely to deliver an apprenticeship; there must be a genuine job available after they have completed their apprenticeship. The only exception to this is where an apprentice is employed through a recognised ATA because the job is with a third party.</p>	<p><b>Apprenticeship training agency (ATA)</b></p> <p>P75. Apprentices employed through an ATA should comply with the requirements set out in paragraphs 27 to 30 regarding the requirement for a genuine job role. If the job is with a third party, the cost of wages may be met from that employer, however the wages must be paid by the ATA.</p>
	<p>P116. Costs of end-point assessment will vary but we expect that it should not usually be more than <u>20% of the total agreed price</u> for delivering the apprenticeship training and assessment.</p> <p>P117. The assessment costs include any costs related to external quality assurance of the end-point assessment.</p>

[WWW.FAS.REPORT](http://WWW.FAS.REPORT)

## Introducing the FAS

“It’s excellent. I am using the program as opposed to the GOV.UK system when engaging with employers, and it has already been well received in the three instances I have used it in the field.”  
FAS user feedback

**Nick Linford**  
Author of the Complete Guide to Funding Apprenticeships

**FAS**  
FUNDING APPRENTICESHIPS SYSTEMS

BROUGHT TO YOU BY  
**FE Week**  
POWERED BY  
**SMARTASSESSOR**  
[WWW.FAS.REPORT](http://WWW.FAS.REPORT)

WWW.FAS.REPORT

## About FAS

The FAS is a free tool for employers and providers to plan apprenticeship delivery and forecast funding for starts in England from May 2017. At a basic level it mimics the Skills Funding Agency calculator (called 'Estimate my apprenticeship funding'). However, it enriches the experience, such as by allowing the user to input negotiated rates, set durations, forecast employer and provider incentives as well as emailing a PDF report of the results.

FAS has been developed by Smart Assessor, working in partnership with Nick Linford, editor of FE Week and author of the Complete Guide to Funding Apprenticeships.

We hope you find FAS useful over the coming months and encourage you to feedback comments as well as suggestions for future development to [nick.Linford@lsect.com](mailto:nick.Linford@lsect.com)

Use online here: [www.fas.report](http://www.fas.report)






BROUGHT TO YOU BY  
**FE Week**  
POWERED BY  
**SMARTASSESSOR**  
WWW.FAS.REPORT

WWW.FAS.REPORT

### SFA Emaf

Skills Funding Agency  
Estimate my apprenticeship funding

**Enter your organisation's UK payroll**

Your organisation's annual UK payroll

**Employees living in England?**  
If yes, please, then enter 100

%

**Choose apprenticeships**

Type of apprenticeship training  
Accounting - Level 2

Number of apprentices  
2

Start date  
This can be any date from May 2017

Month Year  
05 2017

Cost  
£4,000 over 12 months

Total cost: **£4,000**

**Estimate my apprenticeship funding**

Use this tool to estimate if your organisation will pay the apprenticeship levy, how much your organisation will have available to spend on apprenticeships and how much the government will contribute towards the cost of training.

**Your estimated apprenticeship funding**

**Your monthly funding breakdown**


Date	Levy credit	Cost of training	Balance
May 2017	£1,833	£260	£1,573
June 2017	£1,833	£260	£3,406
July 2017	£1,833	£260	£5,239
August 2017	£1,833	£260	£7,072
September 2017	£1,833	£260	£8,905
October 2017	£1,833	£260	£10,738
November 2017	£1,833	£260	£12,571
December 2017	£1,833	£260	£14,404
January 2018	£1,833	£260	£16,237
February 2018	£1,833	£260	£18,070
March 2018	£1,833	£260	£19,903
April 2018	£1,833	£1,010	£21,736

<https://estimate-my-apprenticeship-funding.sfa.bis.gov.uk/>

This SFA calculator does not allow for

- X Setting a negotiated rate (it's fixed at the relevant upper limit)
- X Setting the duration in months (it's fix at a default value)
- X Selecting 16-18 or 19+ apprenticeship starts (to allow for incentives)
- X Full funding for 16 to 18 year-olds at small employers
- X Assigning 16 to 18 year-old employer and provider incentives
- X Filtering for selecting framework pathways or standards
- X Identifying which are frameworks and which are standards
- X Provide links to the framework and standards specifications
- X An expanded view of the monthly funding
- X Produce and email you an easy to print summary report

FAS does all of the above



BROUGHT TO YOU BY  
**FE Week**  
POWERED BY  
**SMARTASSESSOR**  
WWW.FAS.REPORT



**WWW.FAS.REPORT**

## FAS demo

www.fas.report

**WWW.FAS.REPORT**

## FAS added value

www.fas.report

**WWW.FAS.REPORT**

## FAS demo

(simple example)

Calculates correct incentives at 3 and 12 month point

www.fas.report

**WWW.FAS.REPORT**

## FAS demo

(complex example)

Different apprenticeship as well as staggering starts

SFA and employer need to pay this month as levy credit not sufficient

www.fas.report

**WWW.FAS.REPORT**

## FAS demo

(Send report feature)

www.fas.report

**WWW.FAS.REPORT**

## FAS demo

(PDF report)

### Funding Apprenticeships System Report

Employer Name	Lsect
Small Company	N

Apprenticeship title	Framework or standard	Upper limit	Agreed fee	16-18 app	19+ app	Total app	Total agreed fee
Accounting (F)-Accounting - Level 2	Framework	£2,000	£2,000	1	1	2	£4,000
Accounting (F)-Accounting - Level 2	Framework	£2,000	£2,000	3	3	6	£12,000
Accounting (F)-Accounting - Level 3	Framework	£2,000	£2,000	0	5	5	£10,000
Challenged Surveyor (S) - Level 5	Standard	£27,000	£27,000	0	3	3	£81,000
<b>Total</b>				<b>4</b>	<b>12</b>	<b>16</b>	<b>£107,000</b>

Fee for training and assessment		16-18 Incentives	
Employer levy	£133,809	Employer incentive	£4,000
Employer cash 10%	£1,907	Provider incentive	£5,500
Employer cash above cap 100%	£0		
Skills funding Agency subsidy	£14,453		
<b>Total fee</b>	<b>£149,169</b>		

Projection for Lsect - nick.lislett@lsect.com Created on 06/01/2017 10:48:35

www.fas.report

**Note:** FAS is a planning tool which assumes the user does not know apprentice. Therefore, FAS does not include potential funding for additional support (£150 per week per apprentice), disadvantage (up to £600 per apprentice), English (£471 per qualification) or math (£471 per qualification). FAS also assumes all apprentices will finish and earn the completion payment.

**Disclaimer:** Every effort has been made to ensure FAS is accurate and up-to-date. However, it serves only as a guide to apprenticeship funding, taking selective information from government websites and publications. Therefore, you should always do your own homework and source information yourself. In particular, the latest relevant Skills Funding Agency documents should always serve as the definitive source of information. The FAS team is not responsible for the consequences of any decisions or actions taken in reliance on the information provided and all queries about rates and rules should be made to the SFA at [info@sfa.bis.gov.uk](mailto:info@sfa.bis.gov.uk) or call the SFA on 0345 377 5000.

Visit [www.lsect.com](http://www.lsect.com) for funding workshops

11

## Find out more from Nick via [www.lsect.com](http://www.lsect.com)

- Apprenticeship funding workshop next Monday in London
- Subcontracting conferences
- Data Self Assessment workshop
- FE Week's Annual Apprenticeship Conference 22-24<sup>th</sup> March in Birmingham
- Complete Guide to Funding Apprenticeships

