



Skills Funding  
Agency

# Apprenticeship funding: rules and guidance for levy-paying employers

May 2017 to March 2018

This document sets out guidance and the draft funding rules which will apply to all levy-paying employers participating in the apprenticeship programme through an account on the digital apprenticeship service, following the introduction of the apprenticeship levy.

October 2016

Of interest to levy-paying employers.

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# Employer checklist

## Before the apprenticeship starts

- ✓ There must be a genuine job available after the apprenticeship is completed, unless the apprentice is employed by a recognised apprenticeship training agency.
- ✓ Choose a training provider and negotiate a price.
- ✓ Check the eligibility of the apprentice, which includes, but is not limited to:
  - having the right to work in England
  - spending at least 50% of their working hours in England
  - the apprentice working for you or a connected company as defined by HMRC
- ✓ You must have an [apprenticeship agreement](#) with the apprentice.
- ✓ You must have a commitment statement, signed by you, the apprentice and the main provider.
- ✓ Make sure you have evidence required for any additional payments.
- ✓ Record the apprenticeship in your digital account (you can ask the provider to do this for you).
- ✓ Choose an end-point assessment organisation.

## During the apprenticeship

- ✓ Make sure the apprenticeship will last for at least one year, or more if specified in the apprenticeship standard or framework.
- ✓ Make sure the apprentice is taking part in learning throughout the apprenticeship.
- ✓ Provide evidence to the training provider of the apprentice's average weekly hours.

## Introduction and purpose of the document

1. This document sets out guidance and the draft funding rules for levy-paying employers participating in the new apprenticeship programme from 1 May 2017 through an account on the new digital apprenticeship service. This includes both apprenticeship frameworks and standards. We will use the generic term apprenticeship for both apprenticeship frameworks and standards, unless we state otherwise. Where this document contains funding rules that you must follow, we have highlighted these in yellow.
2. We will work with employers and training providers to produce the final rules, ensuring we explain clearly your role in using the service.
3. The information contained in this document forms part of standard terms and conditions for the use of funds in your digital account or where you are accessing government-employer co-investment. You must read them with your apprenticeships employer agreement with the Secretary of State for Education acting through the Skills Funding Agency (the SFA), an executive agency of the Department for Education.
4. This document is a draft and we will make changes to this document following feedback from employers, providers and other stakeholders.
5. As a levy-paying employer participating in the new apprenticeship programme, you must operate within the terms and conditions of your apprenticeships employer agreement which includes these rules.
6. If you would like any further support, you can contact us through our Apprenticeship Business Support Team on 0800 015 0600.

## Understanding the terminology

7. We use the term 'apprenticeship' to mean the training and (where applicable) end-point assessment for an employee as part of a job with an accompanying skills development programme.
8. We use the term 'apprentice' to include those who receive apprenticeship training and (where applicable) end-point assessment through an apprenticeship framework or standard funded by us.
9. The terms 'we', 'our', 'us' and 'SFA' refer to the Skills Funding Agency.
10. We use the term 'you' or 'employer' to mean the organisation that has the contract of employment with the apprentice, including apprenticeship training agencies. This may also include a company whose PAYE scheme you have connected to your digital account in accordance with HMRC's definition of connected companies.
11. We use the term 'employer-provider, to mean any organisation who delivers some, or all, of the 'off-the-job' training element of an apprenticeship to their own staff and holds a contract with us through which we directly route funds from their digital account or government-employer co-investment. Employer-providers must follow the rules set out in [Apprenticeship funding: draft rules for employer-providers, May 2017 to March 2018](#).
12. We use the term 'main provider', to refer to any organisation on the Register of Apprenticeship Training Providers and appointed by an employer holding a contract with us through which we directly route funds in your digital account or government-employer co-investment. The main provider will have the overall responsibility for the training and on-programme assessment conducted by themselves, their subcontractors and end-point assessment conducted by apprentice assessment organisations. This also includes any organisation contracted by them to deliver the apprenticeship on your behalf.
13. We use the term 'provider' to include any organisation on the Register of Apprenticeship Training Providers contracted through a main provider for the delivery of training and on-programme assessment as part of the employer's agreed apprenticeship programme. This includes companies, charities, bodies, colleges, universities, sole traders and other types of legal entity, including those who are in the same group as, or are associated with, the main provider. This excludes individuals who are self-employed or supplied by an employment agency and who are working under the main provider's direction and control, in the same way as an employee.
14. We use the term 'delivery subcontractor' to include any organisation

contracted through a main provider or employer-provider to deliver apprenticeship training or on-programme assessment. This excludes subcontractors you use for other purposes, including help with marketing or data management. This excludes subcontractors who delivering training to an apprentice that is in addition to the apprenticeship and not funded through this route

15. We use the term ‘apprenticeships employer agreement’ to include:
  - 15.1. the apprenticeships employer agreement
  - 15.2. Apprenticeship funding: rules and guidance for levy-paying employers, May 2017 to March 2018
16. We use the term ‘this document’ to refer to the Apprenticeship funding: rules and guidance for levy-paying employers, May 2017 to March 2018.
17. We use the terms ‘standard’ and ‘apprenticeship standard’ to cover the apprenticeship standards which have been designed by employers and are available for delivery between May 2017 and March 2018. This is defined as those standards that have had their assessment plan approved and have been published alongside their allocated funding band.
18. We use the terms ‘framework’ and ‘apprenticeship framework’ to cover the apprenticeship frameworks which are available for delivery between May 2017 and March 2018.
19. We use the term apprentice assessment organisations to include any organisation on the [Register of Apprentice Assessment Organisations](#) (RAAO) and selected by an employer and contracted by a main provider for the delivery of end-point assessment as part of the employer’s agreed apprenticeship programme.
20. We use the term ‘training’ to mean the delivery of training and on-programme assessment by a main provider or any organisation contracted to a main provider for this purpose.
21. We use the term ‘employer’s digital account’ to mean the part of the digital apprenticeship service that will allow employers to view the funds that they have available to spend on apprenticeships in England and direct us to pay for their chosen apprenticeship training and end-point assessment.
22. We use the term ‘government-employer co-investment’ to mean funding that is not paid for from an employer’s digital account because the employer has insufficient levy funds in their account. Employers will be required to make a mandatory co-investment with the government as detailed in paragraphs 85 to 87.

## What is an apprenticeship?

23. 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.
24. 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 the 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.
25. Apprentices must be an employee on the first day of their apprenticeship and be paid at least a wage consistent with the law for the time they are in work and in off-the-job training. You can find a full definition of an approved English apprenticeship on the legislation page of [GOV.UK](https://www.gov.uk).
26. To use funds in your digital account or from government-employer co-investment for an apprenticeship you must:
  - 26.1. give evidence of the apprentice's employment to the provider for them to keep
  - 26.2. be satisfied that this is the most appropriate learning programme and that it is:
    - 26.2.1. a new job role, or
    - 26.2.2. an existing job role, where the individual needs significant new knowledge and skills and
  - 26.3. make sure the apprentice spends at least 20% of their time on off- the- job training
  - 26.4. make sure the job allows the apprentice to gain wider employment experience as part of the apprenticeship
27. You must not use funds from your digital account or government-employer co-investment for any part of any apprentice's programme that duplicates provision they have received from any other source. This includes any other

government funds such as European Social Fund, funds from the Education Funding Agency or from Jobcentre Plus.

28. An apprenticeship agreement is the document where the arrangements between the apprentice and the employer are confirmed. You can find more information about the apprenticeship agreement on [GOV.UK](https://www.gov.uk).
29. You must have an apprenticeship agreement with the apprentice at the start of, and throughout, their apprenticeship, as defined in the [Apprenticeships, Skills, Children and Learning Act 2009](#). You must give evidence of this to the provider to keep in the evidence pack.

- 29.1. This can be a written statement of particulars under the Employment Rights Act 1996, a contract of employment or a letter of engagement, where the employer's duty under the 1996 Act is treated as met.

30. The commitment statement sets out how the employer, provider and apprentice will support the successful achievement of the apprenticeship. It must set out the following.

- 30.1. The planned content and schedule for eligible training.

- 30.2. What is expected and offered by you, the main provider and the apprentice to achieve their apprenticeship.

- 30.3. The process for resolving any queries of complaints regarding the apprenticeship, including its quality.

31. You must set out in the commitment statement how you will support the successful achievement of the apprenticeship. The commitment statement must be signed by you, the apprentice, and the main provider, and all three parties must keep a current signed and dated version.

32. The commitment statement must be retained with, or in, the written agreement between you and the main provider. Where the apprenticeship is being funded from your digital account, this must be within the contract for services between you and the provider.

## **Apprenticeship duration**

33. The minimum duration of an apprenticeship is one year unless the framework or standard specification or assessment plan requires it to be longer. In apprenticeship standards, the end-point assessment can only be taken after the minimum duration has been met.



34. You must make sure that the apprentice is involved in active learning or monitored workplace practice throughout an apprenticeship. The apprentice can, after achieving all mandatory requirements of an apprenticeship, stay in learning until they meet the minimum duration and embed the skills they have gained.
35. If the apprentice works fewer than 30 hours a week the provider must extend the minimum duration (pro rata) to take account of this.

## Who can be funded?

36. We will only use funds in the employer's digital account or government-employer co-investment for eligible apprentices. You must give the training provider evidence of the learner's eligibility at the start of their apprenticeship.
37. To use funds in the employer's digital account or government-employer co-investment, the individual must:
  - 37.1. start their apprenticeship after the last Friday in June of the academic year in which they have their 16<sup>th</sup> birthday
  - 37.2. be able to complete the apprenticeship within the time they have available; if you know an individual is unable to complete the apprenticeship in the time they have available, they cannot be funded
  - 37.3. not be enrolled on another apprenticeship at the same time as any new apprenticeship they start
  - 37.4. not be asked to contribute financially to the direct cost of learning or use a student loan to pay for their apprenticeship
  - 37.5. spend at least 50% of their working hours in England over the duration of the apprenticeship
  - 37.6. have the right to work in England
  - 37.7. be either:
    - 37.7.1. a citizen of a country within the European Economic Area (EEA) (including other countries determined within the EEA or those with bilateral agreements), or have the Right of Abode in the UK, **and** have been ordinarily resident in the EEA (including other countries determined within the EEA or those with bilateral agreements), for at least the previous three

years on the first day of learning or

- 37.7.2. a non-EEA citizen with permission from the UK government to live in the UK, (not for educational purposes) **and** have been ordinarily resident in the UK for at least the previous three years before the start of learning
38. Annex A of [Apprenticeship funding: draft rules for training providers, May 2017 to March 2018](#) includes further rules on individuals with unusual eligibility status as well as the list of all the countries and territories in the European Economic Area (EEA).
  39. As an exception to the rules above, we will also allow the following individuals to be funded from an employer's digital account or using government-employer co-investment.
    - 39.1. Apprentices whose occupation involves significant travel outside of the UK as part of their job (such as in travel or tourism) and they have an identified registered work location in England. You cannot claim for the additional expense of delivering learning outside of England.
    - 39.2. Armed forces apprentices as detailed in the [Apprenticeship funding: draft rules for training providers](#).
  40. **You must not use funds in your digital account for individuals who do not meet the eligibility criteria set out in this document unless they are eligible under the Fees and Awards Regulations 2007 (as amended).** Individuals who do not meet the eligibility criteria include those who:
    - 40.1. are here illegally
    - 40.2. are resident in the United Kingdom on a Tier 4 (general) student visa unless they are eligible through meeting any other of the categories described above
    - 40.3. are non-EEA citizens in the United Kingdom on holiday, with or without a visa
    - 40.4. have overstayed their immigration or visitor visa
    - 40.5. are non-EEA citizens and are a family member of a person granted a Tier 4 visa, have been given immigration permission to stay in the UK and have not been ordinarily resident in the UK for the previous three years on the first day of learning

- 40.6. are ordinarily resident in the Channel Islands or Isle of Man, unless they are also ordinarily resident within England
- 40.7. have a biometric residence permit or residence permit imposing a study prohibition or restriction on the individual
- 41. You can only use funds in your digital account or employer-government co-investment for apprentices employed by you or a [connected company](#) as defined by HMRC. You must provide evidence of employment to the provider.
- 42. We will fund an apprentice to undertake an apprenticeship at the same or lower level than a qualification they already hold, if the apprenticeship will allow the individual to acquire substantive new skills and you have evidence that the content of the training is materially different from any prior qualification or a previous apprenticeship.
- 43. Individuals who are not eligible for funding when they start an apprenticeship will not be funded for the same apprenticeship, even if they become eligible at a later date. If an individual becomes eligible, a different apprenticeship can be funded.

## Apprenticeship training agency (ATA)

- 44. 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.
- 45. An ATA is an organisation whose main business is employing apprentices who are made available to employers for a fee. They must:
  - 45.1. be set up as a distinct legal entity so that apprentices can have employment contracts with the ATA
  - 45.2. report that the apprentice is employed by an ATA in the Individualised Learner Record (ILR) (that is, a data collection used by us to collect data about learners and the learning undertaken by them from learning providers in the further education (FE) and skills sector)
- 46. An ATA must follow our ATA framework. You can find information on ATAs on [GOV.UK](#).
- 47. Where the apprentice is employed by a levy-paying ATA the ATA must follow the rules set out in this document.

48. Group training associations that offer an ATA service to employers must follow ATA-specific rules.

## What can be funded?

49. The apprenticeship must be eligible for funding before the individual starts. The [Hub](#) contains details of eligible apprenticeships. Apprentices can only be enrolled against an apprenticeship standard once we have approved and published the assessment plan on [GOV.UK](#).
  
50. Funds from your digital account or government-employer co-investment can only be used for activity directly related to the apprenticeship. These funds can only be used to pay for training, education and assessment, including end-point assessment to attain an apprenticeship that is eligible for funding up to the limit of the agreed funding band. This includes the following
  - 50.1. On-the-job and off-the-job training through an externally contracted provider or evidenced costs for employer-provider delivery (please see [Apprenticeship funding: draft rules for employer-providers](#)).
  - 50.2. Planned on-programme assessment and the formal end-point assessment, including any costs associated with external quality assurance and the certification of the apprenticeship.
  - 50.3. E-learning (as part of blended learning that includes practical workplace learning).
  - 50.4. Registration, materials, examination and certification, where delivered as part of the apprenticeship programme.
  - 50.5. Any administration directly linked to the training, education and end-point assessment. For example, the processing of the ILR, and so on.
  - 50.6. Funding to re-take qualifications or non-accredited elements required for the apprenticeship, providing additional learning takes place.
  - 50.7. Accommodation costs for learning delivered through residential modules where the residential learning is a requirement for all apprentices. Any costs for residential modules must represent value for money.
  - 50.8. Participation in a skills competition that directly contributes to achieving the apprenticeship standard if agreed between you and the provider.
  
51. Funds in your digital account or government-employer co-investment cannot be used for:

- 51.1. enrolment, induction, prior assessment, initial diagnostic testing or similar activity
- 51.2. 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
- 51.3. travel costs for apprentices under any circumstances
- 51.4. apprentices' wages
- 51.5. personal protective clothing and safety equipment required by the apprentice to carry out their day-to-day work
- 51.6. capital purchases
- 51.7. any training or optional modules in excess of those required, educational trips or trips to professional events not specified in the apprenticeship standard or needed to achieve the apprenticeship framework
- 51.8. re-sits for qualifications or end-point assessment needed for the apprenticeship where no additional learning is required
- 51.9. time spent by employees / managers supporting apprentices, mentoring or the time of other employed staff arranging training support, except where this is directly linked to the training, education and end-point assessment for an employer-provider (for example, we would not expect to pay for any time spent by the apprentice's line manager for any of these activities)
- 51.10. training assessment, exams or tests in any skills and knowledge solely and specifically required to acquire licences to practice, or the certification of any licence to practice, 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
- 51.11. specific services not related to the delivery and administration of the apprenticeship, including company induction, bespoke or additional training or assessment not required to meet the apprenticeship requirements
- 51.12. off-the-job training delivered only by distance learning, although you can include online and other blended learning activity as part of the delivery of an apprenticeship

- 51.13. repeating the same regulated qualification where the apprentice has previously achieved it unless it is a requirement of the apprenticeship or for any GCSE where the apprentice has not achieved grade C, or 4, or higher
52. Where you host apprentices that are employed by an ATA, you must not use the funds in your digital account to pay the training and assessment costs.
53. Where they are a levy-paying ATA, these costs must be met from the ATA's own digital account. Where an apprentice is employed by a non-levy paying ATA, the ATA will be able to access support for training and assessment through government and employer co-investment.

## Additional payments

54. You will receive a payment towards the additional cost associated with training if at the start of the apprenticeship, the apprentice is:
- 54.1. aged between 16 and 18 years old (or 15 years of age if the apprentice's 16<sup>th</sup> birthday is between the last Friday of June and 31 August)
  - 54.2. aged between 19 and 24 years old and has either an Education, Health and Care plan provided by the local authority, or has been in the care of the local authority as defined in paragraph 55.
55. A child in care is defined as:
- 55.1. an eligible child - a young person who is 16 or 17 and who has been looked after by the local authority/Health and Social Care Trust for at least a period of 13 weeks since the age of 14, and who is still looked after
  - 55.2. a relevant child - a young person who is 16 or 17 who has left care after their 16<sup>th</sup> birthday and before leaving care was an eligible child
  - 55.3. a former relevant child - a young person who is aged between 18 and 21 (up to their 25<sup>th</sup> birthday if they are in education or training) who, before turning 18 was either an eligible or a relevant child, or both
56. To be eligible for these payments you must have evidence in respect of each apprentice before the apprenticeship starts. You must check this and either you, or the apprentice, must give the provider evidence to keep in the

## evidence pack.

57. Where these payments are for apprentices aged between 19 and 24 years old (see paragraph 54.2), the provider must include approval from the apprentice to inform you that they have an Education, Health and Care plan or that they have been in the care of the local authority and either:
  - 57.1. a signed, original declaration(s) from the apprentice to confirm they are a care leaver, or
  - 57.2. evidence of an Education, Health and Care plan
58. These payments will be paid to the training provider as follows.
  - 58.1. 90 days after the apprentice starts, 50% will be paid.
  - 58.2. 365 days after the apprentice starts, the remaining 50% will be paid.
59. The provider must pass these on in full to you within 30 working days of receiving this funding from us.

## Support for English and maths training

60. We will fund apprentices to achieve qualifications in English or maths, if they do not meet the minimum standards set out by government A\* to C (or 4 to 9) in English and maths or the equivalents detailed in the [Apprenticeship funding: draft rules for training providers](#). This will not be deducted from your digital account or require employer co-investment.
61. If higher levels of English and maths are required for the apprenticeship, this must be funded within the apprenticeship funding band and will be funded from your digital account or through government-employer co-investment.

## End-point assessments

62. End-point assessment is a holistic assessment of the knowledge, skills and behaviours which have been learnt throughout an apprenticeship standard. The requirements for end-point assessment are set out in the assessment plan for the specific standard.
63. Apprentices will not be able to achieve an apprenticeship standard without satisfying all the requirements of the assessment plan, including the end-point



assessment.

64. You must select an organisation to deliver the end-point assessment from the [Register of Apprentice Assessment Organisations \(RAAO\)](#). Only those organisations listed on the RAAO will be eligible to be funded.
65. Although the provider may be involved in arrangements for end-point assessment, the assessment itself must be independent and meet with the requirements set out in the assessment plan for the standard. Providers who have delivered the training must not undertake end-point assessment for that same group of apprentices.
66. The exception to this rule is any standard identified as an 'Integrated Degree Level Standard'. The end-point assessment organisation in these cases may also be the provider.
67. Where an independent assessment is required, the provider must contract with the apprentice assessment organisation on your behalf and have a written agreement in place with the assessment organisation and make payment to them for conducting the end-point assessment. The written agreement must set out the arrangements for end-point assessment, including arrangements for any re-takes and payments.
68. You must ensure the price you agree with the training provider for the apprenticeship (please see paragraph 75) includes the amount required to pay for the end-point assessment (including any re-takes). This includes the cost of external quality assurance, which involves an external body. You must ensure that you engage actively with any request for information from the external body, where applicable.

## Contracting and subcontracting

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

69. Funding for each apprenticeship will be routed through a single provider.
70. You must ensure the provider that you contract with directly delivers some training across your apprenticeship programme. Where you ask them to use delivery subcontractors they must satisfy one of the following three criteria.
  - 70.1. They are on the published Register of Apprenticeship Training Providers and have applied via the main or supporting application routes.
  - 70.2. They are you or one of your connected companies as defined by HMRC and are on the published Register of

Apprenticeship Training Providers, having applied through the employer-provider application route.

- 70.3. They are not on the published Register of Apprenticeship Training Providers but will deliver less than £100,000 of apprenticeship training and on-programme assessment under contract across all main providers and employer-providers between 1 May 2017 and 31 March 2018.

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

71. You must agree with a provider where delivery subcontractors are used and you must have a written agreement in place with the provider setting out:

71.1. the apprenticeship training and/or on-programme assessment that they will directly deliver

71.2. the amount of funding they will retain for their direct delivery

71.3. the apprenticeship training and/or on-programme assessment that each delivery subcontractor will contribute to the employer's apprenticeship programme

71.4. the amount of funding they will pay each delivery subcontractor for their contribution

71.5. the amount of funding they will retain to manage and monitor each delivery subcontractor

71.6. the support they will provide each delivery subcontractor in exchange for the amount of funding they will retain

71.7. the monitoring they will undertake to ensure the quality of the apprentice training and/or on-programme assessment they have contracted their delivery subcontractors to carry out

71.8. any actual or perceived conflict of interest between them and any delivery subcontractors.

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

72. The main provider is responsible for resolving issues and disputes between you and other providers. Training providers and assessment organisations

must provide you and your apprentices with their written complaints and dispute resolution procedure, policy and process. The first contact point for this must be included in the written agreement and in the commitment statement.

73. Agreements entered into by you and the main provider are legal agreements and dispute resolution should be in accordance with the terms of the written agreement and ultimately would be enforceable through the courts.
74. You and your apprentices must be made aware by the main provider that you can contact the apprenticeship helpline regarding apprenticeship concerns, complaints and enquiries. The contact number and website must also be included in the written agreement and in the apprentice's commitment statement.

# Paying for an apprenticeship

## The price of an apprenticeship

75. Employers, main providers and their contracted providers must agree a price to meet the costs of training and for standards, the end-point assessment for each apprenticeship.
  - 75.1. The agreed price must reflect any reduction in length or content of the apprenticeship to ensure the funds are not used to pay for skills already attained.
  - 75.2. If you negotiate a price that is more than the maximum allowed by the funding band for the chosen apprenticeship, then you must pay in full the difference between the band maximum and the agreed price. This cannot be funded from the digital account or co-investment. Providers may charge VAT on the difference.

## When payments are made

76. We will pay the training provider 80% of the agreed price up to the maximum value of the funding band, in equal monthly instalments according to the planned duration of the apprenticeship. The deductions from your digital account will mirror these payments where funds are available.
77. We will pay the remaining balance of the agreed price, up to the maximum value of the funding band, to the training provider when the apprentice has undertaken all the learning activity relevant to the apprenticeship, including:
  - 77.1. all mandatory elements of the framework, or
  - 77.2. taking the end-point assessment for standards
78. The deductions from your digital account will mirror these payments where funds are available.

## Funds in your digital account

79. You must:
  - 79.1. only add PAYE schemes for you or your connected companies (according to HMRC's definition) to your digital account

- 79.2. remove PAYE schemes from your digital account that are no longer operated by the employer associated with the account (or leave the group of connected companies)
- 79.3. ensure the PAYE scheme for the apprentice's employer is associated with the same digital account which records the apprenticeship for them
- 79.4. manage users associated with your account including:
  - 79.4.1. removing users who are not authorised to act on your behalf
  - 79.4.2. controlling who can add users
- 80. Where your digital account is used to fund training and assessment, you are responsible for recording the required details of the apprenticeship in your account. You can give the provider permission to enter this information on your behalf but you will need to authorise the apprentice details so we can use your digital funds to pay for that apprentice's apprenticeship.
- 81. To be funded from your digital account, the data entered into the digital account must correspond with the information submitted by the provider to us each month through the ILR.
- 82. If there is not a match, or if you are not satisfied with any changes the provider has made, you may amend the data entered into the digital account before the ILR close date each month.
- 83. If we withhold payments to the provider because there is not a match, we will reconcile the payments due to the provider when the data matches.
- 84. Only you can confirm the spending of funds from your digital account. You must not delegate this function to the provider and they must not take on this responsibility.

## Employer co-investment

- 85. Where the monthly cost of apprenticeship training cannot be fully met by funds from your digital account (because there are insufficient funds), you must co-invest 10% of the outstanding balance for that month.
  - 85.1. Providers will need to invoice you separately for any employer

co-investment, including any VAT.

86. Where you are required to pay co-investment, this must be a transfer of funding visible in the provider's financial systems. This will typically be in the form of a provider invoice and corresponding employer payment.
87. The only exceptions to employer co-investment are for:
  - 87.1. English and maths to achieve the required government standard (please see paragraphs 60 to 61)
  - 87.2. where you employ fewer than 50 people and meet the requirements set out in [Apprenticeship funding – draft rules for training providers](#)
  - 87.3. any learning support for the apprentice (please see [Apprenticeship funding: draft rules for training providers](#))

## Qualifying days for funding

88. The apprentice must be in learning for a minimum of 42 days between the learning start date and learning planned end date before they qualify for funds from an employer's digital account or government-employer co-investment, including learning support.
89. Where funding is paid for an apprentice who does not subsequently meet the qualifying period, we will recover the funding from the provider.

## State aid

90. Funds that providers receive from, and in, your digital account and government top-ups to funds in your digital account, government-employer co-investment and additional payments, do not fall within the scope of state aid control from 1 May 2017 to 31 March 2018. Receipt of the AGE Grant by employers and the waiving of the employer contribution for small employers, are subject to state aid regulations.

## Recovery of funds

91. We may take action to recover all or part of government funding from you where we are satisfied that there has been a breach of the funding rules. This includes where claims are made for funding through your digital account,

government co-investment or additional payments to which you are not entitled.

# Delivering the apprenticeship

## Employment hours

92. You must give the provider evidence:
  - 92.1. of the apprentice's agreed average weekly hours, including study hours
  - 92.2. that the apprentice meets the minimum apprenticeship duration rules
93. You must make it clear in any advert for a vacancy how many hours will be expected.
94. You must allow the apprentice to complete the apprenticeship within their working hours and give the provider evidence of this to retain in the evidence pack.



## Changes to the apprenticeship, main provider or employer

95. We will stop making payments from funds in your digital account or government-employer co-investment if an apprentice has a break in learning. You (through your digital account) or your provider must inform us if an apprentice takes a break in learning.

### Where training or assessment is no longer being delivered

96. Where a change of circumstance means that training and/or assessment is no longer being delivered, no further funds from your digital account, government-employer co-investment or additional payments will be made.
97. In these circumstances you must agree with the provider the cost of the training and, where applicable, the end-point assessment delivered to date. The provider must ensure that you have paid any mandatory co-investment due for any training or end-point assessment already delivered.
98. You may alert us through your digital account at any time, if training and/or assessment is no longer being delivered.
99. When a change of circumstance results in over-payment of funds from your digital account or government-employer co-investment, any over-payment must be repaid by the provider to us. We will then credit the appropriate funds to your digital account. The main provider must follow the arrangements set out in their agreement with you for any over-payment by you.
100. You must agree with the provider any reimbursement of your co-investment made for learning paid for, but not undertaken, or learning delivered, but not yet paid up to the employee's leave date, or the date of their break in learning, as needed.
101. If any specific changes of circumstances are not included above, you should seek advice from us about what action you should take. Please email [servicedesk@sfa.bis.gov.uk](mailto:servicedesk@sfa.bis.gov.uk).



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