



Skills Funding
Agency

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Skills Funding Agency: common funding rules

For the 2016 to 2017 funding year (1 August 2016 to 31 July 2017).

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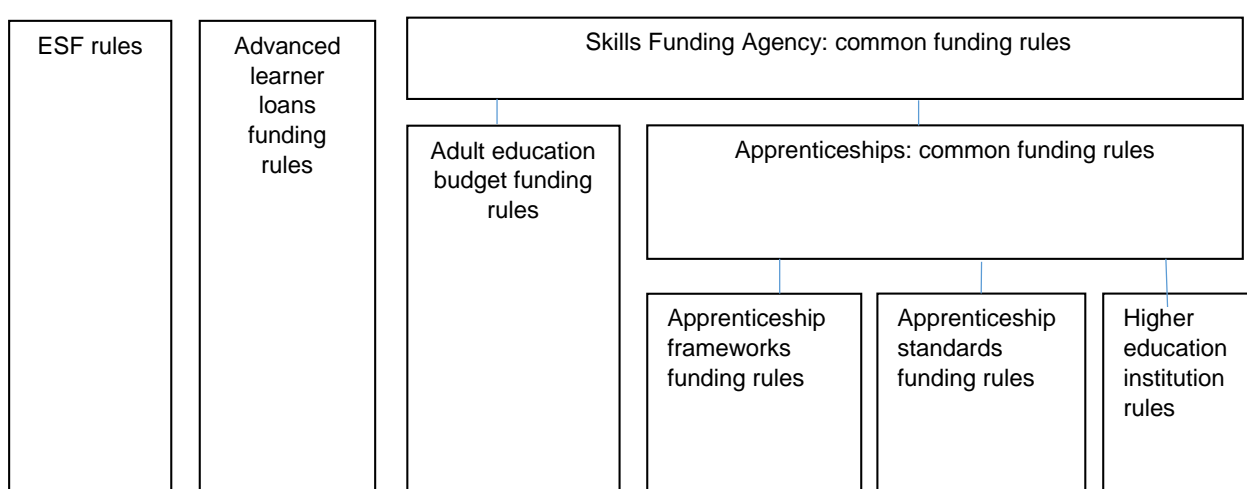
Of interest to providers and employers

Contents

| | |
|---|----|
| Introduction and purpose of the document | 2 |
| Understanding the terminology | 2 |
| Contacting our Central Delivery Service | 3 |
| Principles of funding | 4 |
| Who we fund | 4 |
| Learners with learning difficulties and disabilities | 5 |
| What we fund | 6 |
| Qualifying days for funding | 6 |
| Recognition of prior funding | 7 |
| Contracting | 7 |
| Staying on the Register of training organisations | 7 |
| Subcontracting | 8 |
| Selection and procurement | 8 |
| Entering into a subcontract | 9 |
| Terms that you must include in your contracts with subcontractors | 10 |
| Monitoring | 11 |
| Second-level subcontracting | 12 |
| Reporting subcontracting arrangements | 12 |
| Distributing income between you and your subcontractors | 12 |
| Match funding requirements relevant to all programmes (except apprenticeship standards) | 14 |
| Evidence | 15 |
| Learner file (previously called Learning Agreement) | 15 |
| Confirmation and signatures | 17 |
| Starting, participating and achieving | 17 |
| Leaving learning | 18 |
| Individualised Learner Record | 18 |
| Self-declarations by learners | 18 |
| Eligibility for funding | 18 |
| 16 to 18 apprenticeships | 19 |
| Learners in the armed forces | 19 |
| Learners temporarily outside of England | 19 |
| Learners who live in Wales, Scotland or Northern Ireland | 20 |
| Glossary | 21 |

Introduction and purpose of the document

- A1. This document sets out the core funding rules for the 2016 to 2017 funding year (1 August 2016 to 31 July 2017). The rules apply to all providers of education and training who receive funding from the Secretary of State for Business, Innovation and Skills acting through the Skills Funding Agency (SFA). These rules do not apply to Advanced Learner Loans or to education and training services funded by the European Social Fund.
- A2. This document is one of a suite of documents which set out the funding rules for the 2016 to 2017 funding year. You must read this document together with the relevant programme rules which we show below.



- A3. These documents form part of the terms and conditions of funding and you must read them in conjunction with your funding agreement.
- A4. You must operate within the terms and conditions of the funding agreement, these rules, the [performance-management-rules](#) the [Individualised Learner Record \(ILR\) Specification](#). If you do not, you are in breach of the funding agreement with the SFA.
- A5. The SFA may make changes to these rules.

Understanding the terminology

- A6. The term 'we' refers to the SFA.
- A7. When we refer to 'you' or 'providers', this includes colleges, higher education institutions, training organisations, local authorities and employers who receive funding from us to deliver education and training. We will use the generic term 'you' or 'provider' unless the requirements only apply to a specific provider type.

- A8. We use the term 'funding agreement' to include the:
- A8.1. financial memorandum
 - A8.2. conditions of funding (grant)
 - A8.3. contract for services
 - A8.4. conditions of funding (grant) - employer
- A9. We use the terms 'individual', 'learner' and 'apprentice' to cover those whose provision is funded by us.
- A10. We use the term 'provision' to refer to all learning activity that we fund, whether it is a regulated qualification or other activity that is not a regulated qualification.
- A10.1. If we refer to qualifications, these will either be from the Regulated Qualifications Framework (RQF) or they will be an Access to Higher Education Diploma recognised and regulated by the Quality Assurance Agency (QAA).
 - A10.2. If we refer to 'learning aims' we mean a single episode of learning which could be a regulated qualification or a piece of non-regulated learning activity. This type of activity could include:
 - A10.2.1. independent living skills
 - A10.2.2. employability skills
 - A10.2.3. labour market entry
 - A10.2.4. vocational tasters
 - A10.2.5. engaging the hard to reach
 - A10.3. If we refer to 'programmes' we mean a package of learning activity which may include regulated qualifications, components of qualifications or non-regulated activity.
- A11. We use boxes in this document where we need to set the context of the rules.

Contacting our Central Delivery Service

- A12. If you need to contact us you can do so through our Central Delivery service (CDS) at servicedesk@sfa.bis.gov.uk or telephone 0370 2640001.

Principles of funding

- A13. These funding rules apply to all learners from 1 August 2016. This includes learning that started before 1 August 2016 as well as new learning aims or programmes started on or after 1 August 2016. The only exceptions to this are:
- A13.1. if the funding rules state they only apply to those starting a new learning aim, or to continuing learners
 - A13.2. for funding eligibility rules, as this is determined on the first day a learner starts their learning
- A14. Budgets are ring-fenced and you must not vire between the following:
- A14.1. Adult Education Budget
 - A14.2. 19+ apprenticeships
 - A14.3. Apprenticeship Grants for Employers (AGE)
 - A14.4. Loans Bursary Fund
 - A14.5. Advanced Learner Loan Facility
- A15. For 16 to 18 apprenticeships and 16 to 18 traineeships, virement is permitted within these budgets, subject to formal agreement as in our published rules. See our performance-management rules for more information.
- A16. We will review and monitor whether the education and training you provide represents good value for money. If we consider that the funding of the education and training we have provided is significantly more than the cost, we may reduce the amount of funding we pay you after consulting with you.

Who we fund

- A17. You must check the eligibility of the learner at the start of each learning aim or their traineeship or apprenticeship programme and only claim funding for eligible learners.
- A18. To be funded by us, on the first day of learning a learner must be:
- A18.1. aged 19 or older on 31 August within the 2016 to 2017 funding year if the learning aim is not an apprenticeship or traineeship
 - A18.2. an apprentice starting an apprenticeship after the last Friday in June of the academic year in which they have their 16th birthday

- A18.3. starting a traineeship on or after 1 August of the academic year in which they have their 16th birthday.
- A19. The age of the learner on 31 August in the funding year determines whether the learner is funded by us or the Education Funding Agency (EFA). For all other purposes, the age of the learner is that at the start of each learning aim.
- A20. A learner's eligibility will not change during the learning aim or programme, unless they are an apprentice and their employment status changes (see paragraphs A3 and A9 in [Apprenticeships: common funding rules](#)).
- A21. Learners will be eligible for funding for the whole of the learning aim or programme if they are eligible for funding at the start, even if the duration is for over one year. You must reassess the learner for any further learning aims or programmes they start.
- A22. If an individual starts a learning aim and is not eligible for funding, we will not fund this learning aim for them at any time in the future, even if the individual becomes eligible.
- A23. Any learner, of any age, must be able to achieve the learning aim or programme of study within the time they have available. If you know a learner is unable to complete a learning aim in the time they have available, they cannot be funded.

Learners with learning difficulties and disabilities

- A24. We will fund learners with learning difficulties or disabilities as set out in the [Apprenticeships, Skills, Children and Learning Act 2009](#).
- A25. We will fund learning and support as needed for individuals who self-declare a learning difficulty or disability.
- A26. The EFA is responsible for funding provision and support costs for any other learners aged 19 to 24 who are subject to an Education, Health and Care Plan (EHC Plan) or Learning Difficulty Assessment (LDA) for their learning programme through your EFA delivery contract

What we fund

- A27. You must make sure that the learning is eligible for funding before the learner starts. [The Hub](#) contains details of eligible qualifications and apprenticeship learning aims.
- A28. You must not claim funding where a learner only resits a learning aim assessment or examination and no extra learning takes place.
- A29. You must not claim funding for any provision that is delivered to a learner outside England unless we give you permission before learning starts; this includes distance learning.
- A30. You or your subcontractors must not claim funding for any part of any learner's learning aim or programme that duplicates provision they have received from any other source.
- A31. We will not fund a learner to repeat the same regulated qualification where they have previously achieved it unless it is:
- A31.1. a requirement of the apprenticeship
 - A31.2. for any GCSE where the learner has not achieved grade C, or 5, or higher
- A32. You must provide accurate unique learner number (ULN) information to awarding organisations and ensure all information you use to register learners for qualifications is correct. You can find more information on [GOV.UK](#).

Qualifying days for funding

- A33. The learner or apprentice must be in learning for a minimum number of days between the learning start date and learning planned end date before they qualify for funding, including learning support. In an apprenticeship standard this applies only to English and maths learning aims but not to other learning aims. The minimum qualifying days are:

| Planned length of the learning aim | Minimum qualifying days |
|------------------------------------|-------------------------|
| 168 days | 42 days |
| 14 to 167 days | 14 days |
| Fewer than 14 days | 1 day |

- A34. This does not apply where the learner achieves the learning aim.

Recognition of prior learning

- A35. A learner could have prior learning that has been previously accredited by an awarding organisation or could be formally recognised and count towards a qualification. If this is the case you must:
- A35.1. reduce the amount of funding claimed for the learning aim by the percentage of learning and assessment that the learner does not need
 - A35.2. follow the policies and procedures set by the awarding organisation for the delivery and assessment of the qualification
 - A35.3. not claim funding if the prior learning meets the full requirements of the awarding organisation to achieve the learning aim
- A36. You must not use prior learning to reduce funding for English, maths and English for Speakers of Other Languages (ESOL) qualifications up to and including level 2. For further information see paragraph E11 and E12 in [the adult education budget](#) funding rules.
- A37. If a learner does an AS-level qualification followed by an A-level then you must reduce the funding claimed for the A-level and record this in the 'Funding adjustment for prior learning' field in the ILR. You can access further information, in our [ILR Provider Support Manual for 2016 to 2017](#).

Contracting

Staying on the Register of training organisations

- A38. The Register of Training Organisations (the Register) is the SFA's only market entry point for organisations that intend to deliver education and training services or operate in our supply chain as a subcontractor with an aggregated contract value of £100,000 or more. You can find out further information on the Register on [GOV.UK](#).
- A39. If you and any subcontractors want to continue to be listed on the Register you must successfully complete the Register refresh and update your information when we ask you to. If you fail, or do not update when we ask you to, you must apply at the next opening.

During this period you and any subcontractors will not:

- A39.1. be listed on the Register
- A39.2. be invited to tender, and
- A39.3. be able to increase contract value through growth cases

A40. If your organisation does not apply at the next opening of the Gateway, or you fail the application process, we will review your funding arrangements.

Subcontracting

A41. A subcontractor is a legal entity that has an agreement with you to deliver education and training funded by us.

A42. Your governing body or board of directors and your accounting officer (senior responsible person) must be satisfied that all your subcontracting meets your strategic aims and enhances the quality of your learner offer. You must set out the reasons for subcontracting in your published supply chain fees and charges policy to reflect your strategic aims. You must be able to evidence this, such as minutes of meetings and written sign-off. You must not subcontract to meet short-term funding objectives.

A43. You must only use subcontractors:

A43.1. if you have the knowledge, skills and experience within your organisation to successfully procure, contract with and manage those subcontractors and can evidence this with the curricula vitae of relevant staff

A43.2. who your governing body/board of directors and your accounting officer (senior responsible person) determine as being of high quality and low risk, and provide written evidence confirming this

A43.3. if you have robust procedures to ensure subcontracting does not lead to the inadvertent funding of extremist organisations

A44. You are responsible for all the actions of your subcontractors connected to, or arising out of, the delivery of the services which you subcontract.

Selection and procurement

A45. If you have not previously subcontracted provision we fund, you must get our written approval before awarding a contract to a subcontractor and keep evidence of this. You can find details on [GOV.UK](https://www.gov.uk).

A46. When appointing subcontractors you must avoid conflicts of interest and you must:

A46.1. write to us through your Central Delivery Service adviser about any circumstances (for example, where you and your proposed subcontractor have common directors) which might lead to an actual or perceived conflict of interest

- A46.2. not award the contract without our written permission, and
- A46.3. keep as evidence both your request and our reply
- A47. You must carry out your own due diligence checks when appointing subcontractors and have both the process and the results available for inspection by us. You must not use the Register as a substitute for carrying out your own due diligence checks.
- A48. You must not appoint any subcontractors with a contract value of £100,000 or greater for each funding year unless they are listed on the Register first.
- A48.1. This also applies if the subcontract from you would take the total value of subcontracts that the subcontractor holds to deliver education and training funded by us to £100,000 or more.
- A48.2. You must obtain this information from each proposed subcontractor and also refer to the latest published List of Declared Subcontractors and the Register.
- A49. If a subcontractor you are using exceeds the £100,000 threshold and is not listed on the Register, you must immediately end your subcontract with that organisation. This applies regardless of whether you were the provider whose contract took the subcontractor over the threshold.
- A50. You must ensure any subcontractor you appoint continues to meet the requirements of the Register and that you provide them with all the necessary support.
- A51. You must not enter into new subcontracting arrangements or increase the value of your existing arrangements if any of the following circumstances apply. These conditions will continue until we are satisfied that the concerns have been addressed and the circumstances shown below no longer apply.
- A51.1. If Ofsted has rated your leadership and management as inadequate.
- A51.2. If you do not meet our Minimum Standards.
- A51.3. If the outcome of your annual financial health assessment we carry out is inadequate.

Entering into a subcontract

- A52. You must only award contracts for delivering funded provision to legal entities. If the legal entity is a registered company, it must be recorded as 'active' on the Companies House database.

A53. You must not award a subcontract to any organisation if:

A53.1. it has an above-average risk warning from a credit agency

A53.2. it has passed a resolution (or the court has made an order) to wind up or liquidate the company, or administrators have been appointed, or

A53.3. its statutory accounts are overdue

A54. You must make sure that learners and employers supported through subcontracting arrangements know about you and your subcontractor's roles and responsibilities in providing the learning.

A55. You must have a legally binding contract with each subcontractor that includes all the terms set out below in paragraph A58.

A56. You must have a contingency plan in place for learners in the event that:

A56.1. you need to withdraw from a subcontract arrangement

A56.2. a subcontractor withdraws from the arrangement, or

A56.3. a subcontractor goes into liquidation or administration

A57. You must make sure that the terms of your subcontracts allow you to:

A57.1. monitor the subcontractor's activity

A57.2. have control over your subcontractors, and

A57.3. monitor the quality of education and training provided by subcontractors

Terms that you must include in your contracts with subcontractors

A58. You must make sure your subcontractors:

A58.1. keep to our funding rules

A58.2. provide you with ILR data so your data returns to us accurately reflect your subcontractor's delivery information

A58.3. give us, and any other person nominated by us, access to their premises and all documents relating to SFA-funded provision

A58.4. give you sufficient evidence to allow you to:

- A58.4.1. assess their performance against Ofsted's Common Inspection Framework
- A58.4.2. incorporate the evidence they provide into your self-assessment report, and
- A58.4.3. guide the judgements and grades within your self-assessment report
- A58.5. always have suitably qualified staff available to provide the education and training we fund
- A58.6. co-operate with the lead provider to make sure that there is continuity of learning if the subcontract ends for any reason
- A58.7. tell you if evidence of any irregular financial or delivery activity arises. Irregular activity could include, but is not limited to:
 - A58.7.1. non-delivery of training when funds have been paid
 - A58.7.2. sanctions imposed on the subcontractor by an awarding organisation
 - A58.7.3. an inadequate Ofsted grade
 - A58.7.4. complaints or allegations by learners, people working for the subcontractor or other relevant parties, and
 - A58.7.5. allegations of fraud
- A58.8. are bound by European Social Fund (ESF) clauses from your funding agreement being then included in the subcontract, even if the provision being subcontracted is not funded by the ESF
- A58.9. do not use our funding to make bids for, or claims from, any European funding on their own behalf or on our behalf
- A58.10. do not use payments made as match funding for ESF co-financing projects

Monitoring

- A59. You must manage and monitor all of your subcontractors to ensure that high-quality delivery is taking place that meets our funding rules.
- A60. You must carry out a regular and substantial programme of quality-assurance checks on the education and training provided by

subcontractors, including visits at short notice and face-to-face interviews with staff and learners. The programme must:

A60.1. include whether the learners exist and are eligible

A60.2. involve direct observation of initial guidance, assessment, and delivery of learning programmes

A61. The findings of your assurance checks must be consistent with your expectations and the subcontractor's records.

Second-level subcontracting

A62. You must get our written approval each year if you want to subcontract to a second level. We will only allow this in exceptional circumstances. You can find more information on GOV.UK.

A63. You must declare any second-level subcontracting on your Subcontractor Declaration Form.

Reporting subcontracting arrangements

A64. You must provide a fully completed Subcontractor Declaration Form by the dates we will give you. This will be at least twice during 2016 to 2017. If you do not return the form on time, we will suspend your payments. If you do not subcontract, you must still provide a nil return form to confirm this.

A65. You must also update and return your Subcontractor Declaration Form if your subcontracting arrangements change during the year.

Distributing income between you and your subcontractors

A66. You must review your supply-chain fees and charges policy and this must be signed by your governing body or board of directors and your accounting officer.

A67. You must publish your supply-chain fees and charges policy on your website before entering into any subcontracting agreements for the 2016 to 2017 funding year.

A68. Your fees and charges policy must only include 'provision subcontracting'. This is when you subcontract the delivery of full programmes or frameworks. It is not subcontracting a service as part of the delivery of a programme (for example, part of an apprenticeship framework or outreach support). If you are not sure whether your subcontracting is 'provision subcontracting', please discuss this with our Central Delivery Service.

- A69. Employers receiving direct grant funding from us must publish information on their fees and charges policy for the 2016 to 2017 funding year online. Where this is not appropriate, they should send the information to their employer development manager. This information will then be held on record and be available for requests under the Freedom of Information Act.
- A70. You must, as a minimum, include the following in your supply-chain fees and charges policy.
- A70.1. Your reason for subcontracting.
 - A70.2. Your contribution to improving yours and your subcontractor's quality of teaching and learning.
 - A70.3. The typical percentage range of fees you retain to manage subcontractors, and how you calculate this range.
 - A70.4. The support subcontractors will receive in return for the fee you charge.
 - A70.5. If appropriate, the reason for any differences in fees or support provided to different subcontractors.
 - A70.6. Payment terms between you and your subcontractors; timing of payments in relation to delivering provision and timescale for paying invoices and claims for funding received.
 - A70.7. How and when the policy is communicated and discussed with current and potential subcontractors.
 - A70.8. Timing for policy review.
 - A70.9. Where the policy is published.
- A71. You must also publish the actual level of funding paid and retained for each of your subcontractors in 2016 to 2017. You must publish this within 30 days of the [2016 to 2017 ILR closing](#).
- A71.1. The actual level of funding paid and retained must only include 'provision subcontracting', which we define in paragraph A68.
- A72. Employers receiving grant funding direct from us should publish their data online. Where this is not appropriate, they should send it to their employer development manager within 30 days of the 2016 to 2017 ILR closing. This information will then be held on record and be available under the Freedom of Information Act.
- A73. You must include the following in your published supply-chain fees and charges alongside your supply-chain fees and charges policy.

- A73.1. Name of the subcontractor.
- A73.2. The [UK Provider Reference Number](#) of the subcontractor.
- A73.3. Contract start and end date.
- A73.4. Type of provision (for example, 16 to 18 apprenticeships, 19+ apprenticeships).
- A73.5. Funding we have paid to you for provision delivered by the subcontractor in that funding year.
- A73.6. Funding you have paid to your subcontractor for provision delivered in that funding year.
- A73.7. Funding you have retained in relation to each subcontractor for that funding year.
- A73.8. If appropriate, funding your subcontractor has paid to you for services or support you have provided in connection with the subcontracted provision.

Match funding requirements relevant to all programmes (except apprenticeship standards)

We procure and manage contracts for ESF-funded provision on behalf of local enterprise partnerships that meets local needs. This includes matching the ESF contract value to other similar funding and learners which we report to the ESF Managing Authority in England.

This means any learning activity funded by us becomes part of the ESF programme, and the ESF programme rules also apply and will be subject to our ESF compliance checks and external audit.

- A74. You must not use the payments that we make as match funding for any ESF projects with any co-financing organisation or Managing Authority direct bids.
- A75. You must return complete data and must only return 'not knowns' in exceptional circumstances. In particular, for employment status prior to starting, household situation, prior attainment and destination, as these are important for match funding.

- A76. You and your subcontractors must follow the Retention of Documents, 'publicity' and Horizontal themes rules and provide evidence as detailed in the [ESF 2014 to 2020 funding rules](#).
- A77. You and your subcontractors must follow the Evaluation, Surveys and Annual Implementation Reporting rules in the ESF 2014 to 2020 funding rules.
- A78. You must keep to the rules of the ESF programme or you will break the conditions of your contract and this could result in us recovering funds.

Evidence

- A79. You must hold evidence to assure us that you are using the funding appropriately. Most evidence will occur naturally from your normal business process.

Learner file (previously called Learning Agreement)

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| <p>These rules only apply to the adult education budget and apprenticeship frameworks. Apprenticeship standards have their own rules set out in the specific apprenticeship standards rules.</p> |
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- A80. The learner file must contain evidence to support the funding claimed and must be available to us if we need it.
- A81. Evidence in the learner file must assure us that the learner exists.
- A82. The learner must confirm information they provide is correct when it is collected.
- A83. If the time spent in learning is short, the level of evidence in the learner file would reflect this.
- A84. Where you hold information centrally, you only need to refer to the source.
- A85. If applicable, the learner file must confirm the following.
- A85.1. All information reported to us in the ILR and the Earnings Adjustment Statement (EAS), and if it applies, the supporting evidence for the data you report.
 - A85.2. Your assessment and evidence of eligibility for funding and a record of what evidence the learner has provided.

- A85.3. All initial, basic skills and diagnostic assessments.
 - A85.4. Information on prior learning that affects the learning or the funding of any of the learning aims or programme.
 - A85.5. For 'personalised learning programmes', for example, learning not regulated by a qualification, full details of all the aspects of the learning to be carried out, including supporting evidence of the number of planned hours reported.
 - A85.6. A description of how you will deliver the learning and skills and how the learner will achieve.
 - A85.7. The supporting evidence about why you have claimed funding and the level of funding for a learner, including details of any learner or employer contribution.
 - A85.8. Support needs identified, including how you will meet these needs and the evidence of that.
 - A85.9. That learning is or has taken place (including a work placement, if the learner is taking part in a traineeship) and records are available.
 - A85.10. A learner's self-declarations as to what state benefit they claim.
 - A85.11. A learner's self-declarations on their status relating to gaining a job.
 - A85.12. All records and evidence of achievement of learning aims or an apprenticeship or traineeship programme. This must be available within three months of you reporting it in the ILR.
- A86. You must keep evidence that the learner is eligible for funding. Where the learner is unemployed this must include a record of what you have agreed with them, including the relevance of the learning to their employment prospects and the labour market needs.
- A87. If a subcontractor delivers any provision to the learner, it must clearly identify who they are. This must match the information reported to us in the ILR.
- A88. The learner file for an apprentice must also contain:
- A88.1. the apprentice's job role
 - A88.2. relevant experience and achievements, both inside and outside their current working role
 - A88.3. the learning and skills they have to carry out while on their apprenticeship outside of named qualifications

A88.4. the name of the employer and the agreed contracted hours of employment, the total planned length of the apprenticeship, and

A88.5. confirmation that an apprenticeship agreement is in place or confirmation that the employer has been told about their legal duty for an apprenticeship agreement

A89. The learner file for a traineeship must also contain evidence of:

A89.1. a formal interview and feedback to the learner

A89.2. an exit interview, written feedback, and evidence of the time spent on, and activities performed during, work placements

A89.3. progression to a defined positive outcome within six months

Confirmation and signatures

A90. The learner or employer must confirm the information is correct when it is collected. You must have evidence of this, which can include electronic formats.

A91. We accept electronic evidence, including digital signatures, but you must have wider systems and processes in place to assure you that learners exist and are eligible for funding.

A92. You must keep effective and reliable evidence. You are responsible for making the evidence you hold easily available to us when we need it.

Starting, participating and achieving

A93. You can only claim funding for learning when activity directly related to the learning starts. This would not include enrolment, induction, prior assessment, diagnostic testing or similar activity.

A94. You must have evidence that the learning took place and that the learner was not just certificated for prior knowledge.

A95. You must retain evidence that the apprentice has achieved their apprenticeship.

A96. Where the learning is certificated you must apply for, and give learners, the certificates from awarding organisations for achieving a learning aim. You must evidence that this has happened in the learner file.

Leaving learning

- A97. You must report the learning actual end date in the ILR for a learner who leaves learning as the last day that they took part in learning.
- A98. If an apprentice leaves without achieving, the last date of learning for all learning aims, including the apprenticeship programme learning aim, is the last date where you have evidence that the apprentice was still in learning.

Individualised Learner Record

- A99. You must accurately complete all ILR fields as required in the ILR Specification, even if they are not used for funding. Where your data does not support the funding you have claimed, we will take action to get this corrected and could recover funds.
- A100. The ILR must accurately reflect what has happened. You must not report inaccurate information even where you perceived that this would result in a more equitable claim for funding or accurate record of performance.

Self-declarations by learners

- A101. All self-declarations must confirm the learner's details and describe what the learner is confirming.
- A102. If a learner self-declares prior attainment, you must check this in the personal learning record (PLR) and challenge any contradictory information with the learner. The PLR will not necessarily override the learner's self-declaration.

Eligibility for funding

- A103. Providers must make sure that an individual is eligible before claiming funding for them.
- A104. Most individuals will be eligible for funding if the learning is taking place in England and they:
- A104.1. are a citizen of a country within the European Economic Area (EEA) or other countries determined within the EEA, or
 - A104.2. have the Right of Abode in the UK, or
 - A104.3. have been ordinarily resident in the EEA for at least the previous three years on the first day of learning

A105. If a learner does not meet these requirements you must ensure that the criteria set out in [The Education \(Fees and Awards\) \(England\) Regulations 2007](#) and [The Education \(Student Fees, Awards and Support\)\(Amendment\) Regulations 2011](#) are met.

A106. For apprenticeships, you must also make sure the individual has the right to work in England.

A107. You must not claim funding for an individual if any of the following apply.

A107.1. They are here illegally.

A107.2. They have overstayed their immigration or visitor visa.

A107.3. Their immigration status restricts access to government funding.

A108. You can find further information on eligibility from the [UK Council for International Student Affairs \(UKCISA\)](#).

16 to 18 apprenticeships

A109. 16- to 18-year-olds are eligible to be funded for an apprenticeship if they meet the eligibility criteria of the EFA. You can find more information on the [EFA's website](#) .

Learners in the armed forces

A110. We will fund armed forces personnel, Ministry of Defence (MoD) personnel or civil and crown servants where the learning takes place in England. We will class members of the British armed forces on postings outside of the European Union (EU), including their family members, as ordinarily resident in the United Kingdom.

A111. Members of other nation's armed forces stationed in England and their family members are eligible for funding if the armed forces individual has been ordinarily resident in England for three years. We will not fund family members that stay outside of England.

Learners temporarily outside of England

A112. If someone ordinarily resident in England works outside of England as part of their job, they are eligible for funding as long as some of the learning takes place in England. You cannot claim for the additional expense of delivering learning outside of England.

Learners who live in Wales, Scotland or Northern Ireland

- A113. Wales, Scotland and Northern Ireland have their own funding arrangements. You must develop arrangements with the relevant devolved administration if you are planning to deliver a significant quantity of learning to non-English residents.
- A114. You must not actively recruit learners who live or work outside of England.
- A115. We will fund an individual who does not live in England, if specialist skills training is not available other than in England and they want to travel to, or live in England to study or learn. We do not expect these numbers to be significant.
- A116. For workplace learning, we will not fund individuals whose main employment or normal place of work is not in England.

Glossary

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| 20+ childcare | Within discretionary learner support, a category of support to assist learners aged over the age of 20 who are at risk of not starting learning or leaving learning due to issues in obtaining childcare. |
| Achievement funding | The proportion of our funding which is held back to be paid to a provider on the achievement of a learning aim or framework. |
| Advanced-level apprenticeship | An apprenticeship where learning is at Level 3. |
| Advanced apprenticeship in sporting excellence (AASE) | A framework where the main aim is at Level 3 and the apprenticeship is in an agreed list of sports where alternative completion conditions apply. |
| Alternative completion conditions | Agreed circumstances in which individuals do not need to have an apprenticeship agreement. |
| Apprenticeship agreement | An agreement between an employer and an apprentice in accordance with the Apprenticeships, Skills, Children and Learning (ASCL) Act 2009 sections 32 to 36. |
| Apprenticeship training agency (ATA) | An organisation whose main business is employing apprentices who are made available to employers for a fee. |
| Break in learning | When a learner is not continuing with their learning but has told you beforehand that they intend to resume their learning in the future. |
| Care to learn | A Department for Education scheme to assist young parents under the age of 20 with the childcare costs that may form a barrier to them continuing in education. |
| Components of regulated qualifications | A subset of a qualification, which could be a unit. |
| Direct costs of learning | Any costs for items without which it would be impossible for the learner to complete their learning aim. This can include the costs of registration, examination or any other activities or materials without which the learner cannot achieve their programme of study. |

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| Distance learning | Learning delivered away from the learner's main place of employment or place of learning. |
| Earnings adjustment statement (EAS) | The form providers need to fill in to claim funding that cannot be claimed through the Individualised Learner Record. |
| Education Funding Agency (EFA) | The EFA is responsible for distributing funding for state education in England for 3- to 19-year-olds, as well as managing the estates of schools and colleges. |
| Education health care (EHC) plan | An EHC plan replaces statements of special educational needs and learning difficulties assessments for children and young people with special educational needs. The local authority has the legal duty to 'secure' the educational provision specified in the EHC plan, that is, to ensure that the provision is delivered. |
| Employed | An individual who has a contract of employment. This does not include individuals who are self-employed. |
| English for speakers of other languages (ESOL) | The study of English by speakers of other languages. |
| European social fund (ESF) | The ESF is a structural fund from the European Union. It improves the skills of the workforce and helps people who have difficulties finding work. We are a co-financing organisation for the ESF. |
| Exceptional learning support | Learning support when the needs of the learner are over £19,000 in a single year. |
| Find an apprenticeship | A website for employers and apprentices. |
| Flexible element | Within a traineeship, the elements that sit alongside the core elements to form the qualification. |
| Full Level 2 | The following qualifications are now designated full at Level 2. <ul style="list-style-type: none"> • Five GCSEs at grade 5 and above, or C and above. • Technical Certificates at level 2 which appear in the 16 to 19 performance tables. • Other approved technical and professional qualifications at Level 2 which are part of the |

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| | RQF and listed as a requirement of the legal entitlement, which must be at least 150 GLH. |
| Full Level 3 | <p>The following qualifications are now designated full at Level 3.</p> <ul style="list-style-type: none"> • Quality Assurance Agency for Higher Education (QAA) Access to Higher Education Diplomas at level 3. • Two A-levels. • Tech Levels at level 3 which are in the 16 to 19 performance tables. • Applied general qualifications at level 3 which are in the 16 to 19 performance tables. • Other approved technical and professional qualifications at level 3 which are part of the RQF and listed as a requirement of the legal entitlement, which must be at least 300 GLH. |
| Functional skills | Applied practical skills in English, maths and ICT, that provide the learner with the essential knowledge, skills and understanding to enable them to operate effectively and independently in life and work. |
| Grant-funded providers | Providers with a financial memorandum or conditions of funding (grant). |
| Guided learning | <p>As defined by Ofqual: “The activity of the learner in being taught or instructed by – otherwise participating in education or training under the immediate guidance or supervision or – a lecturer, supervisor, tutor or other appropriate provider of education or training. For these purposes the activity of ‘participating in education and training’ shall be treated as including the activity of being assessed if the assessment takes place under the immediate guidance or supervision of a lecturer, supervisor, tutor or other appropriate provider of education or training.” You can find more information in the Ofqual General Conditions of Recognition September 2015.</p> |
| Hardship | Within Learner Support, a category of support to assist vulnerable and disadvantaged learners to remove barriers to education and training. |
| High needs students (HNS) | Those who need more support than normal to get access to, progress towards and successfully achieve their learning goals. |

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| Higher and degree apprenticeships | An apprenticeship where the main learning is at Level 4 or above (including higher education qualifications). |
| The Hub | The Hub provides online services including the return of your individualised learner record (ILR) and completed EAS. You can also search all learning aims, components of qualifications, apprenticeship frameworks and standards along with their validity and funding details. |
| Immigration status | The permissions, or otherwise, granted by the government of the United Kingdom for an individual to reside here. |
| Individualised learner record (ILR) | The primary data collection requested from learning providers for further education and work-based learning in England. The data is used widely, most notably by the government, to monitor policy implementation and the performance of the sector. It is also used by organisations that allocate funding for further education. |
| Information advice and guidance (IAG) | Services available to learners to enable them to consider further learning opportunities, progression and career choices. |
| Intermediate-level apprenticeship | An apprenticeship where learning is at Level 2. |
| Job outcome payments | Payments made for learners who are unemployed at the start of learning who cease learning to take up a job. |
| Large employer | An organisation who appears on the large employer list because they, their subsidiary or their parent company, have cumulatively more than 1,000 employees, as recorded on the Employer Data Registration Service. |
| Learner file | <p>A collection of documents and information brought together to form a single point of reference relating to the learning that is taking place.</p> <p>This provides the evidence to prove that the learner exists and is eligible for funding, and for the learning to be provided.</p> |
| Learner support | Funding to enable providers to assist learners with a specific financial hardship that might prevent them from being able to complete their learning. |

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| Learning aim reference number | The unique eight-digit code used to identify a specific learning aim . |
| Non-prescribed higher education (NPHE) | This includes regulated qualifications at Level 4 and above, offered by Ofqual-recognised awarding organisations. NPHE excludes first degrees, foundation degrees and higher nationals which are deemed prescribed higher education (PHE). Generally, NPHE will be technical and professional in nature. |
| Non-regulated activity | Learning which is not subject to awarding organisation external accreditation in the form of a regulated qualification. It may be designed for learning, delivered and certificated by a provider or another organisation. This could include: <ul style="list-style-type: none"> • independent living skills • employability and work skills • labour market re-entry • vocational tasters • engaging the hard-to-reach |
| Ofqual | The Office of Qualifications and Examinations Regulation which regulates qualifications, examinations and assessments in England and vocational qualifications in Northern Ireland. |
| Ordinarily resident | For funding purposes, a person who normally lives in the country, are allowed to live there by law, and return there after temporary trips outside the country. Temporary absences from a country due to the learner or a relevant family member working or travelling abroad would be discounted when considering ordinary residency. |
| Personal learning record (PLR) | A database which allows individual learners access to their past and current achievement records. These can be shared with schools, colleges, further education training providers, universities or employers. |
| Learning planned end date | The date entered onto the individualised learner record (ILR) when the learner is expected to complete their learning. |
| Prescribed higher education | Any provision at Level 4 or above which is classed as a first degree, foundation degree or higher national. |
| Provision subcontracting | When you subcontract the delivery of full programmes or frameworks. It is not subcontracting the delivery of a service as part of the delivery of a programme (for |

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| | example, buying the delivery of a service as part of an apprenticeship framework or outreach support). |
| Recognition of prior learning (RPL) | An assessment method that considers whether a learner can demonstrate that they can meet the outcomes for a qualification or a component of a qualification through knowledge, understanding or skills they already have and so do not need to undertake a course of learning for that component or qualifications. |
| Register of training organisations (the Register) | A register that provides assurance on organisations that deliver education and training services by the SFA, or subcontractors with less than £100,000 in our supply chain. Organisations apply to enter the register by completing our market-entry pre-qualification process which includes due diligence questions and testing of capacity and capability. |
| Residential | Support provided under learner support to learners receiving specialist provision which involves a residential element, or to support learners who cannot receive provision locally. |
| Regulated qualifications framework (RQF) | The RQF provides a way of understanding and describing the relative level and size of qualifications. The RQF is a single regulatory framework containing a range of general and vocational qualifications. |
| Senior responsible person | For example: chief executive, managing director, principal or their equivalent. |
| Self-certification | A process where the learner is able to confirm something through their own signature. |
| Small or medium-sized enterprise (SME) | The category of micro, small and medium-sized enterprises made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding 50 million euros, and/or an annual balance sheet total not exceeding 43 million euros. |
| Start of learning | The date on which learning begins. We do not consider enrolment, induction, diagnostic assessment or prior assessment to be part of learning. |
| State benefits | State benefits are contributions, both financial and non-financial, made by central and local government to individuals in certain circumstances to meet their day-to-day living needs. |
| Study programme | Study programmes are aimed at learners aged 16 to 19 and cover all levels up to Level 3. Funding is for each |

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| | learner, rather than for each qualification and can only have one core aim at a time. |
| Subcontractor | A legal entity that has an agreement with you to deliver education and training funded by us. |
| Traineeship | A programme to help unemployed young people to develop the necessary skills and experience to progress to an apprenticeship or long-term work. |
| UK Provider reference number | A number given to all providers by the UK register of learning providers to enable them to be easily identified. |
| Unique learner number | A 10-digit number used to match a learner's achievement to their personal learning record (PLR). |
| Vulnerable student bursary | A bursary for 16- to 18-year-old learners undertaking a traineeship who fall under defined vulnerable groups. |
| Work placement | A placement with an employer in a workplace setting as part of a traineeship. |
| Work programme | A government programme operated by the Department for Work and Pensions aimed at getting long-term unemployed individuals into work. |
| Zero-hour contracts | Contracts which do not specify a set number of hours for the employee. |



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