



Skills Funding
Agency

Funding Rules 2016 to 2017 Summary of Changes

Version 1

January 2016

Of interest to providers and employers.

Introduction

1. We have published the [Funding Rules for 2016 to 2017](#) on GOV.UK. This year we have taken a different approach to presenting the funding rules to reflect the plans for the devolution of skills and reform of apprenticeships. This has provided an opportunity to review and rationalise our current funding approach and the way we present the funding rules.
2. In this document, 'providers' refers to colleges, other training organisations and employers who act as training providers.
3. This year we have produced a suite of funding rules documents that providers and other stakeholders can access in various ways.

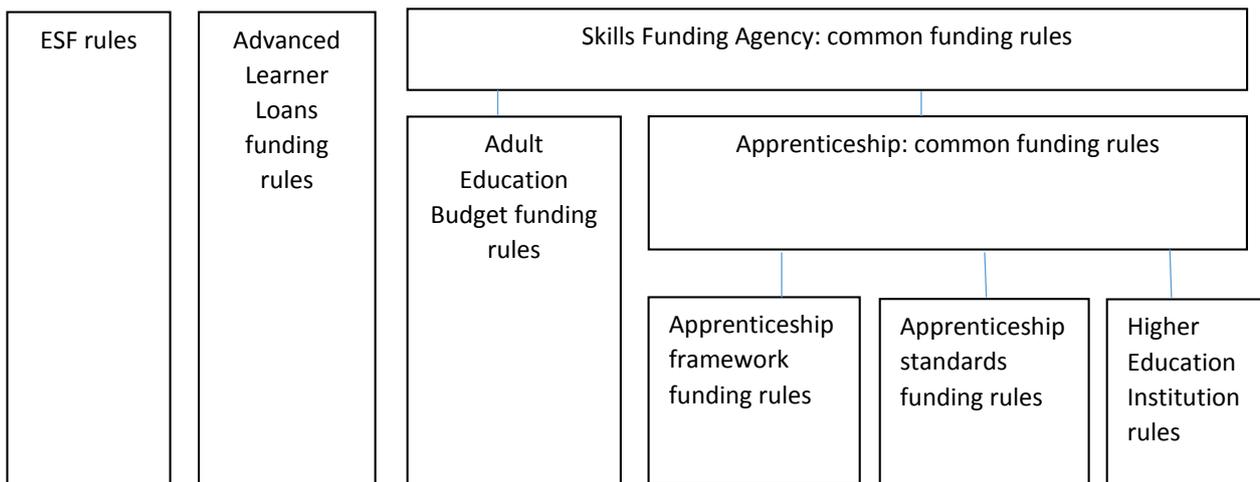
Key features

4. We have removed unnecessary duplication from the funding rules.
5. We have a single document that sets out the rules to follow for all Skills Funding Agency (SFA) provision.
6. We have published separate funding rules for each programme (for example apprenticeships). This includes funding rules common to all apprenticeships, regardless of whether providers are delivering frameworks or standards.
7. Providers can choose to either:
 - a. Build their own set of funding rules using the separate rules documents (that is, the SFA common funding rules and the relevant programme rules).

OR

 - b. Access a single document for each programme that combines the SFA common rules and the relevant programme rules into a single set of rules.

8. Providers must read each document together with the other relevant documents in the suite, as shown in the diagram below. For example, if you deliver provision funded through the Adult Education Budget (AEB), you need to read the documents, 'SFA: Common Funding Rules' and the 'Adult Education Budget Funding Rules'. If you only deliver provision funded through Advanced Learner Loans, you only need to read the 'Advanced Learner Loans Funding Rules'.



9. You can find out more about the new AEB in the [Adult Education Budget Changing Context and Arrangements for 2016 to 2017](#).
10. This suite of documents and the rules they contain are part of the terms and conditions of funding; you must read them with the other contract documents.
11. We have not included in these documents the rules for provision delivered through the Offenders' Learning and Skills Service (OLASS). These rules depend upon the outcome of Dame Sally Coates' independent review of prison education, commissioned by the Secretary of State for Justice. Once this is concluded, we will review the implications for our documents.
12. We no longer include programme rules for the European Social Fund (ESF) within this suite of documents, as these have already been [published](#).
13. We will publish a separate document for those Higher Education Institutions delivering apprenticeships, as indicated in the diagram above.

14. We have highlighted the main changes from the funding year 2015 to 2016 in the table below. Note that this is not an exhaustive list of all the changes. You must refer to the main documents for the definitive rules which apply to all providers of education and training who receive funding or who hold a loans facility and loans bursary fund agreement from the Secretary of State for Business, Innovation and Skills acting through the SFA.

15. From Monday, 1 February to Friday, 12 February, we are hosting an [online forum](#) on feconnect. In the forum, we will answer your comments or requests for clarification on the funding rules for 2016 to 2017.

16. In the meantime, if you have a specific query on the funding rules, you may wish to email servicedesk@sfa.bis.gov.uk.

Summary of main changes since Funding Rules 2015 to 2016

Skills Funding Agency: common funding rules		
Section	Paragraph Number	Change
Understanding the terminology	A10.2	We have included a definition of the activity that could be found in a learning aim.
Principles of funding	A14	Budgets are ring-fenced and you must not vire between them.
Principles of funding	A15	You can vire between 16 to 18 apprenticeship and 16 to 18 traineeship budgets subject to formal agreement as set out in the performance management rules.
What we fund	A31.2	We are using the new grade structure of GCSE.
Qualifying days for funding	A33	Clarification that English and maths learning aims in apprenticeship standards are subject to qualifying days.
Recognition of prior learning	A35.1	If a learner has prior learning you must reduce the amount of funding claimed for the learning aim by the percentage of learning and assessment that the learner does not need.
Match funding requirements relevant to all programmes	A74 – A78	Any learning activity funded by us (except apprenticeship standards) can be used as match funding for European Social Fund (ESF)-funded provision. This means the rules of the ESF programme also apply. We

		have included a link to the ESF programme rules to avoid duplication.
Learner file		We have changed the name of the learning agreement to learner file, based on feedback from the further education sector.
Eligibility for funding	A105	We have removed the list of eligible learners and replaced it with a link to the regulations.
Learners who live in Wales, Scotland or Northern Ireland	A115	You no longer have to contact us and get permission to recruit learners from outside of England.
Apprenticeships: common funding rules		
Section	Paragraph Number	Change
Starting an apprenticeship	B7	Change: you cannot claim funding for an apprentice where the individual is funded by another government department or agency.
Apprenticeship frameworks funding rules		
Section	Paragraph Number	Change
Eligibility rules for apprentices on an apprenticeship framework	C6	We have removed the ability for an apprentice on an advanced level apprenticeship in sporting excellence to also receive funding from the Education Funding Agency (EFA).

Extending the funding for apprentices aged 19 to 24	C14 - C16	This was previously called enhanced funding. We have changed the name to distinguish it from enhanced funding claimed by apprentices taking a break in learning.
Extending the funding for apprentices aged 19 to 24	C14 - C16	The age range for this funding is now up to 24-years-old to match legislation.
Extending the funding for apprentices aged 19 to 24	C14.2	Care leavers are a specific group that are eligible for this extended funding.
Extending the funding for apprentices aged 19 to 24	C14.3 - C14.6	Definition of a care leaver.
Extending the funding for apprentices aged 19 to 24	C15	Evidence requirements for a care leaver.
Apprenticeship learner support	C32 - C35	Clarification of policy.

Apprenticeship standards funding rules

Section	Paragraph Number	Change
Apprenticeship: an example journey	/	Removed: we will include it in future employer guidance.
Table 1 Apprenticeship	/	New funding cap added.

standards pilot funding model		
Assessment organisations and end-point assessment	D65-D68	New rules relating to assessment organisations and end-point assessment.
Care leavers aged 19 to 24	D81 – D84.3	Employers employing apprentices aged 19 to 24 and identified as a former relevant child (care leaver) as defined by the Children Act 1989 are eligible to claim the additional 16 to 18 employer incentive. Lead providers must hold evidence confirming eligibility for each apprentice through a self-declaration.

Adult Education Budget funding rules

Section	Paragraph Number	Change
Provision and individuals we fund	Box	The AEB will replace and combine all SFA participation and support funding (outside of ESF, Advanced Learner Loans and apprenticeships). Providers have the flexibility to deliver programmes of learning that can include a range of activities which may, or may not include, qualifications. However, where

		they are delivering the legal entitlements to a first full Level 2 or 3 for 19- to 23-year-olds, or English and maths entitlements for learners aged 19 or older, they must deliver the qualifications listed in the table.
Definitions used in the AEB – Unemployed	E4	New definition of unemployed in line with the Department for Work and Pensions' benefit changes and to ensure we have a consistent definition across all AEB delivery.
	E4.5	New definition of when providers may use their discretion to fund other learners.
What we will not fund	E9.1	New rule: we will not fund any learning aim delivered at an employee's workplace and relevant to either their job or their employer's business, unless the learner has an entitlement to full funding. Note it is no longer a requirement to record whether a learner is in classroom or workplace learning in the individualised learner record (ILR).
/	/	Change: we have removed the entitlement to full funding for individuals who are trade union representatives aged 19 or older on the day they start Trade Union Congress (TUC) learning aims up to Level 3.
/	/	Change: we have removed the entitlement to full funding for individuals aged 24 or older on the day they start their first full Level 2 or 3 qualification (excluding apprenticeships), and who have left the British armed forces in the past 10 years after completing four or more years of

		service, or been medically discharged from the British armed forces due to an injury in active service, after completing basic training. We are reviewing the arrangements for ex-military learners in consultation with the Ministry of Defence. We will provide further details when they are confirmed.
Individuals aged 19 to 23 (excluding English, maths and ESOL)	E14.2	Change: we will fully fund 19- to 23-year-olds on the day they start the following learning: provision, up to and including Level 2 for those who already have a full Level 2 if they are unemployed.
	E15	Change: if the learner has already achieved a Level 2 or above we will co-fund provision up to and including a Level 2.
Traineeships – Provider eligibility and contracting	/	We have removed the rules on providers not being eligible to deliver traineeships if they are under notice from us for failing to meet our post-19 minimum levels of performance threshold or from the EFA for failing to meet their Minimum Standards.
Support Funding – Learner Support	E76	New rule: you cannot transfer funding between your AEB and your Loans Bursary Fund.
	E78	Change: we will cap administrative costs at 5% of the value of your Discretionary Learner Support (DLS) allocation for the funding year 2015 to 2016.

Advanced Learner Loans funding rules

Section	Paragraph Number	Change
/	/	<p>We have removed the exceptions from loans for trade union representatives studying TUC learning aims at Levels 3 and 4. Trade union representatives aged 19 or older on the day they started TUC learning aims up to Level 3 were previously entitled to full funding for these learning aims. These learning aims are now subject to the same eligibility rules on financial contributions as other AEB provision and we will no longer treat them as exceptions.</p>
/	/	<p>We have removed the exceptions from loans for ex-military personnel. Ex-military learners aged 24 or older on the day they started their first full Level 3 qualification were previously eligible for full funding. We are reviewing the arrangements for ex-military learners in consultation with the Ministry of Defence. We will provide further details when they are confirmed.</p>
Learner eligibility for loans	F15.1	Loans are now available to individuals aged 19 and older.
	F15.3	Loans are now available for approved learning aims at Levels 3, 4, 5 and 6.
	F16	Where a provider accesses direct AEB funding from us to deliver a first full Level 3 qualification to a learner who is aged 19 to

		23, a learner cannot access a loan for the same qualification delivered at the same time.
	F18	Clarification: we will include the funding rules relating to offenders in custody in Version 2 of these documents. The details will depend upon the outcome of Dame Sally Coates' independent review of prison education, commissioned by the Secretary of State for Justice.
Provider eligibility to receive loans payments from SLC, on behalf of learners	F19	Providers must not complete a loan application form on behalf of a learner, or influence a learner's decision on whether to apply for a loan.
Number of loans	F40	Learners are entitled to access up to four loans, which they can now take out either one after the other, or simultaneously.
Advanced Learner Loans Bursary Fund	F70.2	Providers must not transfer funding between their Loans Bursary Fund and AEB.



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