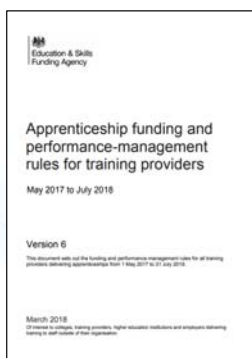


## Four new funding rule documents

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

Version 6 of training provider rules



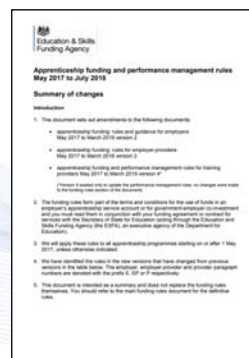
Version 3 of employer rules



Version 3 of employer provider rules



8 page summary of changes document



In this webinar I will focus on changes to the training provider rules

In partnership with

**ncfe.**

## Around 70 changes - we won't cover them all!

Type of change	Changes	Paragraph number in the apprenticeship funding rules for training providers v6					
Clarifications	50	P1	P3	P12	P17	P29.1	P29.1.1
		P29.1.2	P29.4	P32	P33	P34.1	P35
		P36	P37	P38	P42	P42.2	P45
		P46	P59	P61.3	P61.4	P87	P88
		P89	P90	P91	P91.16	P94	P100.1
		P100.2	P128	P132	P133	P135	P142 (with P140)
		P148	P168	P174	P176	P177	P178
		P192.4	P213				
		P223	P225	P243.1	P243.2	P243.3	P263.7.1
		P9	P15	P18	P36	P85	P79.7 removed
Updates	15	P88.7	P88.8	P82.12 removed	P123	P184 removed	
		P215	P216	P231 to P233	P238		
New rules	5	P29.1.3 (for starts from 15/01/18)	P65 (for starts from 01/04/18)	P199 & P200 (for starts from 01/04/18)	P203 - P212 (for starts from 01/04/18)	P243.8 (for starts from 01/04/18)	
New terminology	2	P20	P195				

Analysis of the ESFA summary of changes document by www.lsect.com

### Key changes we'll cover

1. Rules only apply until end of July 2018 - update
2. Off-the-job training rules - clarifications
3. Introduction of transfer funding - new rules
4. Employer sub-contracting at cost - clarification
5. Price when sub-contracting an element

In partnership with

**ncfe.**

## 1. Rules now only apply until end of July 2018

First big change is rules will now only apply until end of July 2018 (not end of March 2019)

Until we see funding rules for 2018/19 (August 2018 to July 2019) it's unclear how much stability to expect

One funding policy we know the ESFA may remove is the 'transitional' 16-18 uplift for frameworks (DU expected to remain)

New funding bands (extra) for 2018/19

And yesterday evening ESFA said: *"In the coming months, we will be reviewing at least two other aspects of the subcontracting funding rules. The first is subcontracting fees and charges; so that we can be assured that our funding is being used for recognised costs. The second is the evidence requirements associated with the subcontracting funding rules. Any subsequent changes to our rules would come into force from August 2018."*

In partnership with

**ncfe.**

## 2. Off-the-job training - clarification (1 of 3)

Previous version of funding rules:

P31. Off-the-job training is defined as learning which is undertaken outside of the normal day-to-day working environment and leads towards the achievement of an apprenticeship. This can include training that is delivered at the apprentice's normal place of work but must not be delivered as part of their normal working duties.

Updated version of funding rules:

P32. Off-the-job training is training received by the apprentice, during the apprentice's normal working hours, for the purpose of achieving their apprenticeship. It is not training delivered for the sole purpose of enabling the apprentice to perform the work for which they have been employed.

Language updated to reflect the legislation. See here:  
<http://www.legislation.gov.uk/uksi/2017/1310/regulation/3/made>

Seems to more strongly suggest eligible off-the-job training can only take place "during the apprentice's normal working hours".

In partnership with

**ncfe.**

## 2. Off-the-job training - clarification (2 of 3)

Previous version of funding rules:

P32. The off-the-job training must be directly relevant to the apprenticeship framework or standard and could include the following.

Updated version of funding rules:

P33. Off-the-job training must be directly relevant to the apprenticeship framework or standard, teaching new knowledge, skills and behaviours required to reach competence in the particular occupation. It can include training that is delivered at the apprentice's normal place of work and can include the following:

From the changes document: "Training that is not required as part of apprenticeship is not considered as part of the 20% off-the-job training e.g. new skills for the job that are not directly relevant to the apprenticeship"

In partnership with

**ncfe.**

## 2. Off-the-job training - clarification (3 of 3)

New paragraphs (and P37: reminder that English and maths not included in calc)

P35. If planned off-the-job training is unable to take place as scheduled, you must ensure this is rearranged. All off-the-job training must take place during paid hours. Apprentices may choose to spend additional time on training outside their paid hours, but this must not be required to complete the apprenticeship.

P36. At least 20% of the apprentice's paid hours, over the planned duration of the apprenticeship, must be spent on off-the-job training. Apprentices may need more than 20% off-the-job training (see paragraph P37). Evidence must be available to support the training delivered. By paid hours we mean the apprentice's contracted hours (e.g. 30 hours per week x 52 weeks x 0.2 = 312 hours off-the-job training per year).

"Paid working hours" changed to "paid hours", combined with the 52 week calculation example shows that the ESFA is **including annual leave entitlement** - something they have never explicitly said. By including annual leave (when the apprentices is clearly not available to engage in off the job training) it means more than 20% will need to be delivered in the working weeks.

In partnership with

**ncfe.**

### 3. Introduction of transfer funding - new rules

#### Key paragraphs:

##### Introduction for providers

P203. From April 2018, levy-paying employers will be able to transfer up to 10% of their levy funds, which were declared for the previous tax year to other employers, including apprenticeship training agencies (ATAs). The 10% transfer allowance is calculated on declared levy multiplied by English percentage, along with the 10% automatic top up from Government. This allowance is recalculated every tax year.

P204. Employers receiving transferred funds will only be able to use them to pay for training and assessment for apprenticeship standards, for new starts from 1 May 2018. Employers will not be able to use transferred funds to pay for training and assessment for apprenticeship frameworks, or apprentices that started before 1 May 2018.

P205. Where receiving employers fund apprenticeships with transferred funds they are treated as levy-paying employers. This is set out in their [employer agreement](#).

##### Delivering apprenticeship training to receiving employers

P206. If you are a training provider who is also a levy-paying employer, you must not deliver training to apprentices you are funding through a transfer. This includes where you are acting as a main provider or a sub-contractor.

#### More information here:

<https://www.gov.uk/guidance/transferring-apprenticeship-service-funds>

In partnership with

**ncfe.**

### 4. Costs when subcontracting to employer - clarification

<b>Special conditions for all instances where employer is the delivery subcontractor</b>	Clarification: Creation of new subsection to re-emphasise that where the employer is the delivery sub-contractor actual costs must be used (in same way as an employer-provider can only work to actual costs). An employer should not make a profit on the delivery to their own employees. This rule was previously in another section.	E135 EP154 P168
--	---	-----------------------

#### Previous version of funding rules:

*P151. Where the employer is the delivery subcontractor they must report the actual costs of delivery.*

#### Updated version of funding rules:

***Special conditions for all instances where the employer is the delivery subcontractor***

*P168. Where the employer is the delivery subcontractor you must only pay them for actual costs of delivery. Employers must not profit from apprenticeship delivery to their own employees.*

ESFA clearly concerned some employers might be incentivised to subcontract as a profitable activity

In partnership with

**ncfe.**



## 5. Price when subcontracting to employer - clarification

<b>The price of an apprenticeship</b>	Clarification: The full cost of apprenticeship must be transparent. Where an employer is legitimately delivering training or providing an eligible cost the overall price should not be reduced. All costs must be transparent.	E141 P174
---------------------------------------	---	--------------

P174. You must not offset the negotiated price with the costs of any service provided by the employer. If the employer is legitimately delivering relevant training or an eligible cost supported by these rules then this must be included into the overall price. The cost of the apprenticeship must be transparent.

Completely new paragraph - which I would consider to be a new rule.  
Trying to find out why reducing the price is literally ruled out.

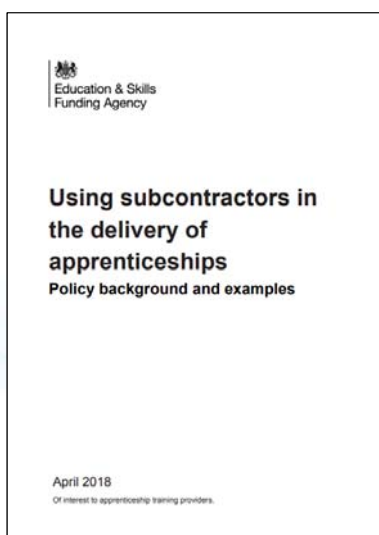
Personally, I think this rule is:

- > Going to unnecessarily increase subcontracting to employers
- > Conflicting with para P168 as employer costs (without profit) likely to be lower

In partnership with

**ncfe.**

## And published yesterday evening



Key thing confirming: "We do not define or quantify 'substance' in absolute terms. We also do not define a point in time at which the level of substance should be measured. This is because an employer's apprenticeship programme may well evolve over time, with a varying nature and scale as apprentices start and finish their programmes. We do not expect auditors to determine compliance with this rule against an arbitrary quantification of 'substance'."

So also nothing to quantify 'token'.

End of doc also says they may bring in subcontracting fees and charges rules from August.

In partnership with

**ncfe.**

<https://www.gov.uk/government/publications/apprenticeships-subcontracting>

ncfe. | cache

## Apprenticeship Services

Charlotte Freeman  
Apprenticeship Development Manager



## Apprenticeship Services - who are we?

- **Apprenticeship Services** – independent to our Awarding Services to manage conflicts of interest and independence and allow our centres to comfortably access both services
- **Specialists in EPA** – dedicated business unit 100% focused on the new standards
- **Number one for service** – our speed, our agility, our expertise, our approach and our people
- **Ahead of the curve** – always innovating, always responsive.

ncfe. | cache



## Apprenticeship solutions



NCFE is an approved End-Point Assessment Organisation (EPAO) on the register for:

- Level 2 Customer Service Practitioner
- Level 3 Team Leader/Supervisor
- Level 3 Business Administrator
- Level 3 Event Assistant
- Level 4 Project Manager
- Level 5 Operations/Departmental Manager
- Level 2 Commis Chef
- Level 3 Senior Chef Production Cooking
- Level 2 Hospitality Team Member
- Level 3 Hospitality Supervisor
- Level 2 Retailer
- Level 3 Retail Team Leader

**ncfe.**

## Apprenticeship solutions



The CACHE EPA offer covers the following standards which are published and ready:

- Level 2 Healthcare Support Worker
- Level 3 Senior Healthcare Support Worker
- Level 5 Healthcare Assistant Practitioner
- Level 2 Adult Care Worker
- Level 3 Lead Adult Care Worker
- Level 3 Dental Nurse
- Level 4 Dental Practice Manager

Awaiting the release of:

- Early Years Educator Level 3, Level 4 and Level 5
- Children, Young People and Families Manager & Practitioner

**cache**






## Our EPA offer

-  We offer a clear and transparent pricing structure with no charge to the provider until learners go through Gateway.
-  Our dedicated Apprenticeship Services team are on hand to answer your questions and help navigate you through your journey.
-  Contract with us and we can supply you with a large range of support materials, as well as sample resources to help apprentices, employers and providers prepare for EPA.
-  Our purpose built platform manages every aspect of end-point assessment and will work with any e-portfolio for your on-programme delivery.

**ncfe. | cache**

**ncfe. | cache**



## Thanks for listening

Contact NCFE's dedicated Apprenticeship Services team to find out how we can support you.

Visit [www.ncfe.org.uk/epa](http://www.ncfe.org.uk/epa)   Email [epa@ncfe.org.uk](mailto:epa@ncfe.org.uk)   Call 0191 240 8950

## Upcoming training events

Spring Data Conference  
> 24 April in London

New audit approach to  
apprenticeship funding  
> 3 May in Birmingham

Subcontracting Funding  
Summit (EXTRA DATE)  
> 7 June in York - [click here](#)

AEB funding workshop  
> 25 April in London  
> 1 May in Birmingham  
> 9 May in York  
> 14 May in Manchester

DSAT masterclass with ILR  
auditor (EXTRA DATE)  
> 13 June in York - [click here](#)

Visit [www.lsect.com](http://www.lsect.com) to find out  
more and secure places

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