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**Funding Summary - June 2017**

**Prepared by: Rob George, rob@rgfe.co.uk, 07931 843000**

**Appendices;**

1. Clarification of Apprenticeship funding and performance-management rules for training providers May 2017 to March 2018 Version 3
2. AELP National Conference 27th and 28th June
3. Apprenticeship off-the-job training - Policy background and examples
4. Advanced learner loans funding and performance management rules Version 2 - For the 2017 to 2018 funding year (1 August 2017 to 31 July 2018)

**Introduction**

Following the shock election result we now have a new minister for apprenticeships and skills - Anne Milton, MP for Guildford. At the AELP conference earlier this week she stated that she would not be introducing new ideas but instead had a job of delivery.

We are at last starting to see movement on apprenticeship non-levy growth, as detailed below providers can now apply for growth which will be assessed in July. In addition the previous non-levy procurement round has been scrapped and a new round will run in July for January 2018 to March 2019 delivery.

Additional guidance has been provided by the ESFA on evidence requirements for the 20% off the job training within an apprenticeship, as detailed in appendix 3.

AEB 2017/18 contract announcements will be notified in July, however existing providers will see their current contracts extended for 3 months for August, September and October.

Rules have been published on AEB and Advanced Learner Loans for 2017/18 with no real shocks to be seen. Webinars are being offered to providers to explain the new rules.

**AEB contract extension**

Following our earlier messages issued on 9th May and 13th June regarding the impact of the General Election on our planned communications, please note that notifications of contract award will now be made at the end July 2017.

As a result, the Education and Skills Funding Agency (ESFA) will now be extending the existing 2016/2017 contracts for Adult Education Budget (AEB) services for a three-month period, until 31st October 2017.

Details of the existing providers can be found at <https://www.gov.uk/government/publications/sfa-funding-allocations-to-training-providers-2016-to-2017>

This extension reinstates the original time period scheduled to occur between the result notification and contract start date. This means that contracts awarded through this AEB procurement exercise will now be for an initial nine-month period only running from 1 November 2017 to 31st July 2018, with possible extensions for up to two 12 month periods, at the ESFA’s discretion.

We will shortly be writing to existing AEB providers to confirm the details of these arrangements.

**Non-levy apprenticeship growth requests**

The first performance-management point for non-levy apprenticeships will take place in July instead of August. You can now submit requests for increases to your 16 to 18 and 19+ non-levy apprenticeship contract values for May 2017 to December 2017.

Please send your completed growth request form to Provider Performance Management and your provider manager before 5pm on Tuesday 11 July. You must submit a growth request to be considered for an increase.

More information can be found on GOV.UK. Please contact your provider manager if you have any queries.

**Update on procurement for non-levy paying employers**

In April 2017, the Education and Skills Funding Agency (ESFA) paused the procurement for apprenticeship training provision for non-levy-paying employers.

The competition was markedly oversubscribed and the Department for Education (DfE) and the ESFA concluded that it did not achieve the right balance between stability of provision, promoting competition and choice for employers. Together, DfE and ESFA have since reviewed their approach to determine how best to support these objectives.

As a result, the ESFA has decided to cancel the current procurement exercise and has confirmed that it will launch a new procurement at the end of July.

The new procurement will be designed to achieve the best value for employers, providers and apprentices in the move to a fully employer-led system. More details on the process and deadlines will be finalised and announced shortly.

The ESFA has also confirmed that the register of apprenticeship training providers will not re-open for new applications, while the new procurement exercise is open.

To provide further clarity and certainty for training providers with existing contracts the following steps will also be taken:

* Within the next week, the ESFA will respond to providers who have made business cases to adjust the amount of funding they were awarded in the contract extensions. Where credible evidence has been presented, the ESFA will look to adjust the allocations.
* The ESFA will bring forward the first performance management point from August to July. This will be in order to review current delivery and consider whether additional funding can be made available where there is clear evidence of unmet demand from employers. More details on the timing for this will follow shortly.

This will not affect training provision for existing learners.

**Apprenticeships: off-the-job training**

Guidance for employers and training providers on the off-the-job training requirements involved in an apprenticeship.

**All apprenticeship starts from 1 May 2017**

For all new apprenticeship starts from 1 May 2017, you must make sure you have completed the ‘Apprenticeship contract type’ (ACT) field in the ILR. You must record an ACT otherwise this will fail validation; record code ‘ACT1’ for levy contracted apprenticeships and ‘ACT2’ for non-levy contracted apprenticeships.

To receive payment for levy contracted apprentices there must be a matching record in the apprenticeship service, and this must be fully approved by you and the employer you are working with. You can easily check which apprentices are fully approved by looking at the apprenticeship data match report on the Hub. This will highlight any apprentices that are not fully approved. The deadline to correct any errors for apprentices due to be included in the June payment is Tue 6 June 2017. For more information on the data match please see page 17 of the Apprenticeships Technical Funding Guide for starts May 2017.

To add an apprentice to the apprenticeship service, ask your employer to select “Add an apprentice”.

**New apprenticeship provider assurance and support**

As employers begin to take control of their apprenticeship programmes, they have a greater choice of training providers as new organisations are accepted onto the register of apprenticeship training providers (RoATP).

We want to ensure employers receive the highest quality service and we are carrying out planned assurance work to support these new organisations to deliver to the highest standards. This includes workshops, self-assessments, surgeries, visits and funding audits.

As well as providing support, we will also consider the impact on their RoATP status if we have significant concerns during this process.

We will contact all new providers directly, however, if they have any questions they should contact their provider manager.

**AELP - VAT clarification received from ESFA**

In any programme the application of VAT always seems open to debate, and we have been looking to see if we can answer some of the more common queries we get.

One of these has been the treatment of VAT as regard Apprenticeship end-point assessment costs. Guidance says that ‘Supplies of training which are paid by government funding, including the apprenticeship levy are exempt from VAT. ..... Prices entered on to the ILR should not include VAT.’ The ESFA have now clarified to us that the term ‘training’ includes end point assessment, and therefore end-point assessment costs do not attract VAT charges.

Note however that non-levy (and co-investment) employer contributions do attract VAT charges (where the provider is VAT-registered) but these elements should not be entered on the ILR.

**Apprenticeship Grant for Employers (AGE) 16 – 24**

The AGE Programme ends for new learner starts on 31 July 2017. The last date to flag learners as requiring an AGE grant will be the R14 ILR return due by 19 October 2017. Please ensure that any learners starting prior to 1 August 2017 are recorded with the correct Learning delivery monitoring (LDM) code by this date. No AGE payments will be made on the 2017/18 ILR data.

**Apprenticeship Grant for Employers (AGE) reports available in the Skills Funding Service (SFS)**

From Wednesday 28 June, you will be able to see your AGE reports for the last 2 years in SFS.

You will be able to view this information if you have any of the following user roles:

• contract authoriser

• contract manager

• contract user

• data returns and claims manager

Check the SFS user roles and permissions.

**Adult education budget funding rules 2017 to 2018**

*No fundamental changes to the content of these latest AEB rules. The 2017 to 2018 AEB funding rules have incorporated the relevant sections from the 2016 to 2017 common funding rules, as there is no longer a requirement for a separate common funding rules document.*

This week we have published version 1 of the Adult Education Budget Funding Rules 2017 to 2018.

These rules apply to all providers of education and training who receive adult education budget funding from the ESFA.

Please note the performance management rules for 2017 to 2018 will be included in version 2.

We will be holding 3 webinars during July to support the publication.

Date Time

11 July 10:00am – 11:30am

14 July 10:00am – 11:30am

19 July 2:00pm – 3:30pm

Please email to book your place aebrulesfeedback@sfa.bis.gov.uk.

This document sets out the adult education budget (AEB) funding rules for the 2017 to 2018 funding year (1 August 2017 to 31 July 2018). Please note the performance management rules for 2017 to 2018 will be included in version 2.

The rules apply to all providers of education and training who receive AEB funding from the Secretary of State for Education acting through the Education and Skills Funding Agency.

**Advanced Learner Loans funding and performance management rules 2017 to 2018**

A reminder that we have published version 2 of the Advanced Learner Loans funding and performance management rules 2017 to 2018.

We will be holding three webinars during July to support the publication and highlight good practice.

Date Time

4 July 2:00pm – 3:30pm

5 July 10:30am – 12:00pm

6 July 10:30am – 12:00pm

Please email advancedlearnerloans@sfa.bis.gov.uk to book your place.

**Decommissioning the contracts and finances area of the hub**

The contracts and finances area of the Hub will start to be decommissioned at the end of June 2017 when providers will no longer have access.

You will need to download and save any documents held in the service that you want to keep, such as:

* contracts
* funding statements
* funding claim forms
* reconciliation statements
* subcontractor declaration forms
* apprenticeship grant for employers (AGE) reports

Many of these are now available in the Skills Funding Service (SFS) and other services that need to be retained will be made available in SFS between now and the end of September 2017.

**Guidance: ESF funding rules**

Updated ESF specifications deliverables evidence requirements - 2014 to 2020 ESF Programme funding rules.

Sets out the rules for funding the 2014 to 2020 European Social Fund (ESF) programme.

**Exceptional learning support - cost form**

The exceptional learning support (ELS) cost form must be used to submit estimated and final costs for each learner who’s learning support costs exceed £19,000.

Learners who require support costs of more than £19,000 will be reviewed on an individual basis.

This includes:

* learners aged 19+ who self-declare a learning difficulty and/or disability (LDD) and with an education, health and care (EHC) plan
* apprentices up to the age of 24 with an EHC plan and all age apprentices, including those without an EHC plan, who self-declare LDD
* loans-funded learners who self-declare LDD as part of the advanced learner loans bursary fund

You must:

* submit exceptional learning support claims at the beginning of the learner’s programme by completing and sending the ELS costs form to Exceptional Learning Support Claims
* gain agreement from the ESFA for each learner whose support costs more than £19,000 in a funding year by contacting the above email address - you will receive confirmation in writing when the form is completed with relevant information we require
* get further agreement if the learner’s support needs change significantly during their learning by submitting an updated cost form

For 2017 to 2018, you must submit a final claim for learners’ ELS no later than 2 working days after the final ILR return for 2017 to 2018. The final return date is 19 October.

A final claim must be submitted to Exceptional Learning Support Claims by 25 October 2017. Final claims will require further approval by the ESFA if they are higher than the approved estimated cost.

For 2016 to 2017, you must submit a final claim must be submitted to Exceptional Learning Support Claims by 24 October 2017.

**Financial assurance 2016 to 2017: monitoring the funding rules**

We have updated the following documents to include apprenticeships starts from 1 May 2017 where appropriate:

* funding rules monitoring plan for the funding year 2016 to 2017
* funding monitoring reports user guide

The suite of reports has been updated to include R10 individualised learner record (ILR) data. You must review this data to determine whether you need to make any data corrections in your next ILR submission as specified in the guidance. Where the data is correct, you must ensure that you, or your subcontractors have the evidence to justify the funding claimed.

**ESFA financial assurance: monitoring the funding rules**

This work gives the ESFA assurance that provision we buy meets our published funding rules.

The monitoring plan lists the current areas that we are monitoring and working with the sector on during the course of the funding year. We have also provided guidance the sector on how to access regular monitoring reports through the Hub and how to ensure any identified issues comply with the funding rules.

**National achievement rates tables (NART) 2015 to 2016**

The national achievement rates tables (NART), including related annexes, were published on 15 June following the end of an extended pre-election period this year.

The information is available in the Statistical First Release (SFR)

The national achievement rates headline data published in the SFR earlier this year was also updated on 15 June.

**Qualification achievement rates (QAR) 2015 to 2016 – final data**

National achievement rate tables were published on 15 June. The national achievement rates headline data published earlier this year in the SFR were also updated on this date.

All provider QAR dashboards and data files were updated on the hub at the same time. A small proportion of providers will see a minor increase to their QAR. This is due to the inclusion of learners who started on an agreed break in learning prior to August 2013, that later achieved. There is no impact on any provider with regard to minimum standards application.

Please refer to the Apprenticeship and Education & Training dataset production specification documents that were updated on 15 June.

**Maths and English condition of funding questionnaire**

We have published an online questionnaire to gain a better understanding of the main issues and barriers facing 16 to 18 institutions and providers in meeting the maths and English condition of funding.

http://www.smartsurvey.co.uk/s/MathsandEnglish2017/?utm\_source=EFA%20e-bulletin&utm\_medium=email&utm\_campaign=e-bulletin&mxmroi=2305-17213-90581-0

We are asking 16 to 18 institutions and providers that had students that did not meet the maths and English condition of funding in the 2015 to 2016 academic year, to complete the questionnaire no later than Friday 14 July 2017.

More information about this questionnaire is available on GOV.UK.

**Qualifications: eligible for public funding**

We have removed the requirement for all delivery we fund to be in the form of a qualification. We only require a qualification to be delivered where a learner is exercising their legal entitlement to a first full level 2 or level 3 and/or English and maths.

The policy and process for identifying which qualifications are eligible for legal entitlements and through local flexibilities are set out in the documents above.

The 2017 to 2018 qualification eligibility principles and legal entitlements documents explain how we make qualifications eligible for funding through the Adult Education Budget and explains how these offers are updated.

2017 to 2018 legal entitlements offer

We have published the qualifications that will be available including:

* English and maths legal entitlement
* level 2 and level 3 legal entitlements for 19 to 23 year olds undertaking their first full level 2 and full level 3

In anticipation of future changes due to technical education reform and the functional skills reform, we have not made any new changes to these offers other than those which we had already announced during 2016 to 2017.

Level 2 and 3 legal entitlements list 2016 to 2017

We have updated the 2016 to 2017 level 2 and 3 legal entitlements list to include:

* 2018 performance table qualifications
* Access to HE
* GCSEs
* AS and A Levels

**Funding regulations for post-16 provision**

Added a presentation to support the student eligibility elements of the funding guidance for young people

**Funding guidance for young people: sub-contracting controls**

The sub-contracting controls guide for 2017 to 2018 includes the 2 significant new restrictions first introduced in 2016 to 2017. The first applies to maintained schools and academies that have whole programme sub-contracting arrangements (both local and at a distance) and the second applies to colleges sub-contracting provision wholly or substantially to a special school for provision for 19 to 25 HNS. Any institutions with sub-contracted provision are advised to ensure that they review the guidance and take the required actions.

Third party arrangements, often referred to as either sub-contracted or franchised provision, have created substantial financial and reputation issues for institutions in the past. Problems have been particularly significant where the sub-contracted service has taken place at a distance from the directly funded institution, in a different part of the country. Directly funded institutions include all institutions that are either directly funded by the ESFA or are directly funded by local authorities using ESFA funding that includes all maintained schools, academies, free schools, sixth-form and FE colleges and independent institutions.

**Customer engagement user research**

As a newly formed agency, the ESFA is looking at how it engages with its customers; we want to understand your experience of engaging with us, identify what works well for you and where we may need to make improvements.

To achieve this we would like to talk with you directly through:

* brief one to one phone calls with a researcher (we will advertise dates for these next week and ask for volunteers)
* up to 8 face-to-face focus groups (locations across the country)

We are currently looking for volunteers to host (in their workplace) and attend the focus groups shown below.

| **Customer focus group** | **Date** |
| --- | --- |
| Local authorities and academies | 10 – 21 July |
| FE colleges and sixth form | 10 – 21 July |
| Training providers (independent and charitable) | 17 – end July |
| Employers | 17 – end July |

If you would like to host one of the workshops, please contact us at ESFA@education.gov.uk. We will seek further participants once dates are fixed.

Deadline for responses is 5pm Tuesday 4 July.

Appendix 1

**Clarification of Apprenticeship funding and performance-management rules for training providers**

**May 2017 to March 2018 Version 3**

*Over the last few months I have been seeking clarity from the SFA/ESFA on what can and cannot be funded relating to indirect costs. This eventually required AELP to get involved in the process who have managed to get clarity from a senior official in the ESFA central policy team. Please find a shortened version of the sequence of questions and eventual clarification below;*

If the provider is an organisation where their sole company revenue is generated from apprenticeship delivery, how does the SFA expect the example below to be funded? There is no other revenue the provider gets from anywhere else, therefore all apprenticeship activity needs to be funded via the SFA payments. The only other source of revenue would be invoicing levy and non-levy paying employers for this activity.

**What cannot be funded**

P82. Funds in an employer’s digital account or government-employer co-investment must not be used for any of the following.

82.1. Enrolment, induction, prior assessment, initial diagnostic testing or similar activity.

The point I am making in my question above is that the funding has to come from the ESFA funding mechanism, maybe not as a direct cost but probably as an overhead cost. It must be accepted by the ESFA that providers have overheads to pay for, with back office systems and resource that does not directly link to the apprenticeship delivery. I could pick other examples from the rules (e.g. capital purchases – where else does the provider get the revenue to pay for capital items over the long term, property, non-direct staff …etc)

AELP/RGFE question - I have a member who has asked about the old chestnut of the new rule where government funding can’t be used to pay for certain non-training items such as induction, enrolment, initial assessment. His argument is if the provider is 100% funded by government funding and is providing these at no additional cost to the employer, then by virtue government funding is indirectly being used to pay these and is worried this would leave a provider exposed under an audit. I’m sure we’ve spoken about this before and these items were never directly fundable previously, but never directly referred to in this way. What is the line to these types of queries? Is it that in this scenario the provider should look to the employer to contribute to the cost?

**ESFA response - It is up to the provider to negotiate the costs with the employer for the ‘off-the-job’ training element (P79.1). It is assumed that within this price the provider will deduct some monies for overhead and profit that will be used more widely in the business. We have not prevented this from happening and it would be naïve to assume that providers weren’t operating in this way. Any activities that happen ahead of an apprentice starting on a programme are not funded directly by the employer and could include marketing type activity. It is up to providers to work out how these type of activities are funded where required.**

79.1. Off-the-job training through an externally-contracted provider or evidenced costs for employer-provider delivery. This could include some or all of the training aspects of a licence to practise or non-mandatory qualification. In both cases there must be a clear overlap between this training and the knowledge, skills and behaviours needed for the apprenticeship standard.

Appendix 2

**AELP National Conference 27th and 28th June 2016**

*A positive and well attended event with, as usual, speakers of substance including the new Skills Minister Anne Milton.*

*I detail below some notes and highlights from the conference, this is intended to be a short sharp synopsis. I am sure AELP and FE Week will soon publish a summary of the event.*

Day 1

**Keynote Address – Anne Milton MP**

* 20% Off the Job Apprenticeship Guidance – published earlier today
* Business cases challenging non levy May to Dec 2017 apprenticeship allocations – replies will be sent this week
* First performance adjustment for non-levy apprenticeship growth - will be brought forward from August to July
* Non levy apprenticeship procurement – previous procurement scrapped, new procurement in July to cover Jan 2018 to Mar 2019. No opening of ROATP applications in this period.

**The future for providers and apprenticeships - Now and the future – Keith Smith ESFA**

* All new ROATP providers that have not had previous ESFA contacts are required to attend formal training, non-attendance will result in contract termination. All will be visited to check that the statements made on the ROATP application are accurate and can be evidenced. All will have regular monitoring visits to check adherence to the rules due to high risk.
* A mystery shopper activity of providers has taken place with the following results;
  + Not enough tailoring to employer needs. This is critical to Ofsted inspection.
  + Not selling the benefits of apprenticeships
  + Limited information provided
  + Colleges performed better than ITP’s
* Intermediate delivery and assurance priorities
  + Conclude the non-levy procurement
  + 67 business cases were submitted to increase the original non-levy contract value, 43 will be supported
  + Performance reviews to adjust non-levy apprenticeship contract allocations
  + Employers as subcontractors – monitor activity and ensure providers are not giving funding back to the employer for activity the employer would anyway action.
  + Ensure compliant delivery models are being used
  + Audit approach to be changed to existing providers - not just looking back but also looking forward.
  + New guidance for 20% off the job training – ensure compliance
* AEB procurement results to be announced very soon

**Peter Lauener IfA**

* Challenges
  + Lot more providers
  + Employers in the driving seat
  + Levy – this will challenge employers to do skills planning
  + Focus on existing workforce
* Lots more data in the system – make best use of it
* Risk – managing the new providers
* HE – will we get rebadged HE programmes, thus may not get full value from the levy
* SME employers – how will the new system work out?
* Debate over standards and fit for purpose. Need to review EPA

**Upping the pace on devolution – David Pack GLA**

* AEB devolution for London planned to commence Aug 2019 - £300m
* Whole skills system could be devolved to London
* Very challenging timescales and little clarity from central government to get into meaningful planning
* TEC’s were disbanded as cost £200m to administer, can we afford to devolve the skills system?

**IfA’s view on quality – Richard Guy IfA**

* Quality statement and measurement to be consulted to the sector in Sep 2017
* 1400 employers have been involved in creating the quality statement

**English and Maths in the Workplace and overcoming the 20% challenge – Sue Pittock Remit**

* Refreshing presentation here that gave some relief to attendees of the conference that have been concerned over this key element of the new funding system
* 20% off the job plus English and Maths effectively means 30%
* Set a plan in advance for each framework/standard
* Just use naturally created evidence rather than slavishly evidence all hours. Progression evidence is the key
* Meeting being held with AELP at the end of June to agree evidence requirements to be held in the learner file

**Traineeship – Next steps – Bethany Gladwood DfE**

* 19-24 traineeships will not be devolved and will remain as a national programme

**A new world for inspectors – Paul Joyce Ofsted**

* Introduction of 8 week window where a provider requests no inspection
* Challenge to cope with increase in apprenticeship provider growth
* Data less prominent due to funding system changes, progression will become much more prominent. Initial assessment very important to clearly define the learner start point and measure progression from this.
* Learners will need to talk confidently about their progression
* 20% off the job – inspectors are not auditors, the Ofsted test is evidence of progression

Appendix 3

**Apprenticeship off-the-job training - Policy background and examples**

*Interesting that this document is titled “guidance” within the electronic name chosen by the ESFA rather than “rule”.*

*I paste below the definition of off-the-job training together with the evidence requirement. Ofsted have clearly stated that they will not be auditing the 20%, but will instead be looking for evidence of progression;*

**Definition of ‘off-the-job training’**

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.

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

* The teaching of theory (for example: lectures, role playing, simulation exercises, online learning or manufacturer training),
* Practical training: shadowing, mentoring, industry visits and attendance at competitions,
* Learning support and time spent writing assessments/assignments.

Off-the-job training does not include:

* English and maths (up to level 2) which is funded separately,
* progress reviews or on-programme assessment needed for an apprenticeship framework or standard,
* training which takes place outside the apprentice’s paid working hours.

**When the off-the-job training should take place**

Apprenticeships must last a minimum of 12 months and involve at least 20% off-the-job training. This 20% off-the-job training requirement is measured over the course of an apprenticeship (as opposed to over an academic year). The off-the-job training is an essential part of an apprenticeship and therefore must take place during employed time. If training must, by exception, take place in an evening, or outside of contracted hours, we would expect this to be recognised (for example, through time off in lieu).

We recognise that some apprentices may wish to undertake study or training outside of their working hours, however training undertaken outside paid employment (and therefore outside the apprenticeship) cannot be counted towards meeting the 20% requirement.

It is up to the employer and provider to decide at what point during the apprenticeship the training is best delivered (for example, a proportion of every day, one day a week throughout, one week out of every five, a proportion at the beginning, middle or end). This will depend on what is best for the organisation and the apprentice and on the technical or theoretical requirements of the apprenticeship standard.

However the training is delivered, it is important to remember that the apprentice must receive off-the-job training for a minimum of 20% of the time that they are paid to work.

**Measuring and recording off-the-job training**

As well as being a core principle of a quality apprenticeship, the requirement for all apprenticeships to include a minimum of 20% off-the-job training is included in the ESFA funding rules. Compliance with this requirement will therefore be considered as part of normal audit arrangements. More information about the ESFA audit and financial assurance processes can be found here.

In order to comply with the funding rules, each apprentice should have a commitment statement that, amongst other information, outlines the programme of training that the apprentice should receive. This statement should set out how the provider intends to fulfil the 20% off-the-job training requirement. As set out in the funding rules, the funding recipient (usually the main provider) is the custodian of the relevant evidence files.

The ESFA do not prescribe the type of evidence that should be retained as they prefer training providers and employers to use naturally occurring evidence where this is available.

All training providers that deliver levels 2-5 apprenticeships are subject to Ofsted inspection1 where they will judge the quality of training. All providers that deliver apprenticeships at levels 6 and above are subject to the HEFCE quality assessment regime. HEFCE will work with Ofsted to reach a judgement for apprenticeship providers at level 4 and/or 5 where the apprenticeship standard or framework contains a prescribed HE qualification. These regimes are primarily focused on making judgements on the quality of teaching and learning. As part of this process they may also request evidence of how the upfront planned and agreed off-the-job training is being delivered as well as observing the delivery of off-the-job to make judgements on the quality of it and the value to each apprentice’s learning experience.

Appendix 4

**Advanced learner loans funding and performance management rules Version 2 - For the 2017 to 2018 funding year (1 August 2017 to 31 July *2018)***

*No change to funding growth limits introduced in 2016/17 and no major changes from the 2016/17 rules, except that the bar seems to have been raised for current providers that have not been Ofsted inspected and new providers – the requirement is now to be good or outstanding, this compares to satisfactory for 2016/17 . I paste below some of the key new paragraphs;*

Requesting an increase to your loan facility or loan bursary allocation - We have introduced a change from a ‘rolling’ application process to enable you to apply for an increase at three points in the year (September 2017, January 2018 and March 2018).

Requesting an increase to your loan facility or loan bursary allocation - We have added that if you exceed your loans facility without our permission, and are unsuccessful in securing an increase to your facility to meet demand over your facility value then you must signpost learners who have not had their loans approved to alternative providers or the National Careers Service.

Our criteria for awarding an increase to your loan facility or bursary allocation and requesting a loan facility and bursary for the first time - Added that you must be able to evidence that there is demand from employers or learners.

Requesting a loan facility and bursary for the first time - We have added a section setting out the process for applying for a new facility and bursary and our criteria.

Requesting a loan facility and bursary for the first time - Added that you must hold an adult education budget or apprenticeships contract and have done so since at least the 2015 to 2016 funding year to apply for a new facility.

Requesting a loan facility and bursary for the first time - Added that you must have been inspected by Ofsted and your overall grade must be good or outstanding to be able to apply for a new loan facility.

Annex 3 to 7 added to cover the following;

* We have added Annex 3 which sets out the performance-management points, tolerances and minimum thresholds.
* We have added Annex 4 which sets out the standard national profiles we will assess your performance against at the performance management points.
* We have updated the diagram setting out the process for requesting an increase to your existing loan facility and/or bursary.
* We have added a new diagram setting out the process for applying for a facility and bursary for the first time.
* We have added Annex 7 which shows the performance-management timeline.