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Funding Focus – Traineeships – A summary of the funding rules 2016/17

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Funding Focus provides quick summaries of recent funding developments, or particular aspects of the funding system.

Introduction

The primary objective of a traineeship is to provide young people with the skills and experience to progress to an apprenticeship, sustainable work, or a course of further learning. The core elements of Traineeships can be fully funded for all 16-24 year-olds who have not previously attained a first full level 3 qualification. Traineeships span the 16-18 and 19+ age ranges which means they fall under both Education Funding Agency (EFA) rules (for 16-18 year-olds) and Skills Funding Agency (SFA) rules (for 19-24 year-olds). This Funding Focus summarises the 2016/17 funding rules for both age groups and provides links to further information. It covers:

- Overarching funding rules for all ages (16-24)
- Delivering traineeships
- Provider eligibility and Ofsted
- Links to further information
- Summary of EFA funding rules for 16-18 year-olds and SFA funding rules for 19-24 year-olds

Overarching funding rules for all ages (16-24)

Learner eligibility, 16-24 year-olds can be fully funded for the core elements of Traineeships where they:

- Have not already achieved a first full level 3 qualification.
- They are unemployed and not in receipt of unemployment benefits, or are employed and earn either less than 16 times the hourly National Minimum Wage each week or £330 a month, **and**
- They have little or no work experience and are focused on employment, an apprenticeship or the prospect of this, **and**
- They have been assessed as having the potential to be ready for employment or an apprenticeship within six months.

Elements: All traineeships include the following elements:

- *Work experience:* a high quality work experience placement to give the young person meaningful work experience and to develop workplace skills.
- *Work-preparation training:* a focused period of work preparation training, covering areas like CV writing, interview preparation, job search and inter-personal skills the young person needs to develop in order to get the most out of their work placement and prepare them for future employment.
- *English, maths or ESOL where necessary:* learners who have not achieved GCSE at A*-C, or functional skills at level 2, should continue to work towards achieving a GCSE A*- C, or take functional skills qualifications if more appropriate.
- *A flexible element where necessary:* learning can be offered in addition to the core offer and this is known as the flexible element. This can include technical and professional qualifications.



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Duration: The work-experience, work-preparation and flexible elements must all be completed in a period between six weeks and six months.

Delivering traineeships

- Providers with an EFA contract can be funded for 16-18 year-old traineeships.
- Providers with an SFA contract can be funded for 19-24 year-olds traineeships.
- The SFA can fund 16-18 year-old traineeships in providers who do not have EFA contract. They can do this where providers deliver 16-18 apprenticeships through the SFA. Providers cannot use their 16-18 apprenticeship allocation to deliver traineeships.
- Providers without an SFA or an EFA contract should look out for market entry opportunities. See [EFA 16 to 19 education: market entry](#), and [SFA Register of training organisations](#) for more.

Provider eligibility and Ofsted

When traineeships were introduced there was a requirement that institutions be graded good or outstanding by Ofsted. This requirement has now been removed. Previously ineligible institutions, who could deliver from within an existing allocation, could begin delivery from 1 February 2016, and from 1 August 2016 all EFA institutions will be able to choose how much funding they devote to traineeships from their 2016/17 allocation.

Further information

- EFA's [Funding regulations 2016/17](#)
- EFA's [Funding rates and formula 2016/17](#)
- EFA's [Delivering traineeships through EFA funding](#)
- EFA's [English and maths condition of funding](#)
- SFA's [Funding rules 2016/17](#), see in particular the [Adult education budget funding rules](#)
- SFA's [Funding rates and formula 2016/17](#)
- Pearson's [Funding website](#)
- [Sign up](#) for weekly funding updates and links to new Funding Focus documents

Siân Owen

Head of Stakeholder Engagement (Funding)
sian.owen1@pearson.com

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Summary of EFA funding rules for 16-18 year-olds and SFA funding rules for 19-24 year-olds

Age	Work experience	Work preparation	English and maths	Flexible element	Support	Retention/achievement/job outcome payments
<p>EFA funding for 16-18 year-olds, overview: All four elements are funded based on EFA funding rate for the planned hours for the programme. Students will normally be funded on a part time band. See pages 7 and 8 of EFA Funding rates and formula for 16-18 national funding rates. Qualifications offered must be approved for 16-18 year-olds on the funding hub.</p>						
<p>Learners must:</p> <ul style="list-style-type: none"> • Be 16, 17 or 18 on 31 August. • Be 16 or older, but under 25, and have an EHC plan. • Not start a traineeship until 1 August after they have left school in the academic year in which they have their 16th birthday. <p>See SFA Funding rules for more.</p>	<p>Must be the most substantial element (core aim) of the study programme.</p> <p>Ideally with external employer at external site. Exceptions can be funded. See EFA Delivering traineeships through EFA funding for more.</p>	<p>Content for providers and employers to design and agree. Can consist of non-qualification hours, qualifications and units up and including level 2. See EFA Funding regulations for more.</p>	<p>The EFA English and maths condition of funding applies so learners are not required to study a GCSE if they have a GCSE grade D or above. They can study functional skills qualifications where necessary. If the learner has already achieved Functional Skills at Level 2 they must work towards achieving a GCSE grade 5 or higher. See EFA English and maths condition of funding and SFA Funding rules for more.</p>	<p>Can consist of non-qualification hours, qualifications and units up and including level 2. See EFA Funding regulations for more.</p>	<p>Disadvantage funding, high-needs student funding, vulnerable student bursaries and discretionary bursaries available. See EFA Funding rates and formula, and 16 to 19 Bursary Fund for more.</p>	<p>Core aim (i.e. work experience in this case) drives retention in funding terms. Completing work experience means learner is retained. Can also be counted as retained if they leave early and achieve a successful outcome. See EFA Funding rates and formula for more.</p>
<p>SFA funding for 19-24 year-olds overview: English and maths, and the flexible element are funded through single activity matrix using the same method as all adult education budget funded provision. See pages 14 and 15 of SFA Funding rates and formula for funding rates (single activity matrix). Work experience and work experience are funded at a single rate of £970. Qualifications offered must be approved for 19+ year-olds on the funding hub.</p>						
<p>Learners must:</p> <ul style="list-style-type: none"> • Be aged 19 years or older on 31 August in the funding year in question. • Be under 25. <p>See SFA Funding rules for more.</p>	<p>To claim traineeship funding both the work experience and work preparation components must be delivered. There is a single work-experience and work-preparation rate of £970. Work preparation aims do not attract additional funding. See the SFA's Funding rates and formula for more.</p> <p>Must be minimum of 100 planned hours. See SFA Funding rules for more.</p>	<p>Must be learning aim categorised as 'Work Preparation-SFA Traineeships'. See SFA Learning Aim Reference Service Categories for more.</p>	<p>The SFA will continue to fund English and maths elements until the learner has completed these learning aims (i.e. even after the traineeship is complete). See SFA Funding rules for more.</p>	<p>Must be a qualification or unit approved for 19 year-olds. Learners aged 24 studying a full level 3 as the flexible element are required to take a loan. See SFA Funding rules for more.</p>	<p>Learner and learning support available. See SFA Funding rules for more.</p>	<p>Achievement payment for combined work experience and preparation rate based on successful outcome. SFA pays 50% of achievement payment if unemployed learner gets a job before achieving. If the learner then achieves remaining payment is made. See SFA Funding rules for more.</p>