



Skills Funding
Agency

Facilities for Apprenticeship Grant for Employers: Financial Year 2015 to 2016

This document provides detail about how we have calculated your Apprenticeship Grant for Employers (AGE) facility and how it will be managed for the financial year 2015 to 2016.

Please read this document in conjunction with your 2015 to 2016 Funding Statement, which includes detail of your AGE 16- to 24-year-olds facility for the financial year 2015 to 2016. The Funding Statement will be made available on the Hub in the week beginning 23 March 2015.

Please also refer to the Skills Funding Statement 2013 to 2016, Funding Rules 2015 to 2016 and Operational Performance Management Rules 2015 to 2016 (when published).

AGE supports businesses, which would not otherwise be able to do so, to recruit young people aged 16- to 24-years-old through the apprenticeship programme by providing grants of £1,500 each to eligible employers.

The grant has been available since February 2012 and initially grants were subject to availability on a first-come, first-served basis. In August 2014 we introduced a 'facility' for each provider to assist them in their management of grants and to ensure that AGE remains a sustainable programme until the end of the financial year. This built on the principles of being flexible and employer-led, whilst remaining subject to availability.

The eligibility criteria has changed to focus the grant on small businesses (those with fewer than 50 employees). Under the new eligibility rules, employers will be able to draw down a maximum of five grants of £1,500.

With effect from 1 April 2015 the government has granted Greater Manchester Combined Authority and Sheffield City Region (Sheffield, Doncaster, Rotherham and Barnsley) devolved control of the AGE budget for their areas. From 1 August 2015 the government will also grant control of the AGE budget to West Yorkshire Combined Authority (Bradford, Calderdale, Kirklees, Leeds, Wakefield and City of York).

Facilities that the Skills Funding Agency issue for the financial year 2015 to 2016 do not include any allocation for AGE relating to apprenticeship starts for employers based in Greater Manchester or Sheffield City Region from 1 April 2015 or for West Yorkshire Combined Authority from 1 August 2015. The combined authorities will announce details of the devolved AGE programmes once further information is available.

More information about the devolved AGE 16 to 24 programme for Greater Manchester is available here: http://neweconomymanchester.com/stories/2050-gm_age_greater_manchester_apprenticeship_grant_for_employers. For enquiries about the devolved AGE 16 to 24 programme for Sheffield City Region CA please email Skillsmadeeasy@sheffield.gov.uk. Contact details for West Yorkshire CA will be shared through Update once these are available.

AGE facilities set out the value of grants available to providers to support employers recruiting 16- to 18-year-old apprentices and 19- to 24-year-old apprentices. As the funds come from separate departmental budgets, the value of the facility for each age group must be managed separately.

AGE facility

Having an AGE facility gives you the ability to continue to support employers to engage with apprenticeships. We have taken a simple approach to calculating your indicative AGE facility, which is detailed in your funding statement.

We have reviewed your previous financial year's performance, as well as your delivery of training up to the end of December 2014, and used the greater of these to calculate a baseline for your AGE facility. The allocated facility is tailored to meet the changed criteria for 2015 to 2016 AGE. We have calculated baseline delivery from your historic delivery with employers that are small in size (less than 50 employees). We have applied a reduction to take account of there being only five grants available for each employer, as opposed to the previous 10 grants.

Your indicative AGE facility has been set so you can continue to support the employers with whom you are working, and seek to support additional eligible employers.

In calculating your baseline we have excluded apprenticeship starts from areas where control of AGE is passing to local areas (Greater Manchester Combined Authority and Sheffield City Region from 1 April 2015 and West Yorkshire Combined Authority from 1 August 2015).

Your facility will not include any AGE funds for employers who recruit apprentices in the devolved combined authorities from the dates indicated above.

We expect you to take a responsible approach to managing within your AGE facility.

Next steps

Please check your indicative AGE facility statement carefully. If the indicative AGE facility is not sufficient to meet your recruitment plans for the 2015 to 2016 financial year, (excluding any delivery you expect in the devolved areas) you can request an increase as detailed below.

We will continue our flexible performance-management process for AGE facilities. This allows you to request increases to your facility at any time by submitting a growth request form which is available from the publications section of our website on GOV.UK: <https://www.gov.uk/government/publications/sfa-apprenticeship-grant-for-employers-facility-adjustment-request>.

There are separate forms for the 2014 to 2015 and 2015 to 2016 financial years. The rules and process for AGE performance management are set out in the Operational Performance Management Rules 2015 to 2016 (when published).

We will vary your 2014 to 2015 contracts to include the agreed AGE facility values.

If you wish to discuss your SFA funding statement, please contact our Central Delivery Service (CDS), as they are now your point of contact for all operational matters to do with contracts, payments and performance management. If you are unsure of the contact, please continue to contact the Agency's Service Desk for any related queries: email: servicedesk@sfa.bis.gov.uk or telephone 0370 2670001.