



Skills Funding Agency

Funding Rules 2015 to 2016 Version 2 Addendum 4

Introduction

1. This document sets out an amendment to Funding Rules 2015 to 2016 Version 2.
2. The amendment forms part of the terms and conditions of the funding agreements and the Advanced Learning Loans Facility Conditions between the Secretary of State for Business, Innovation and Skills acting through the Skills Funding Agency (SFA) and all providers of education and training who receive funding from the SFA or an Advanced Learning Loan (Loan) Facility.
3. The addendum is intended to include rules on the Apprenticeship Grant for Employers for 16- to 24- year-olds (AGE).
4. This amendment applies to the funding rules from **1 April 2016**.

Amendment

Paragraph reference	Text
Section 2 - The Adult Skills Budget including Apprenticeships	
Apprenticeship Grant for Employers for 16- to 24- year-olds (AGE)	
Additional section to replace Paragraphs 315 to 317.	<ol style="list-style-type: none">1. AGE can only be claimed for an employer with fewer than 50 employees who would not otherwise be in a position to do so, to recruit an apprentice aged 16 to 24 at the start of their apprenticeship, into employment through an approved apprenticeship framework.2. An eligible employer can claim a maximum of five AGE grants in total, subject to eligibility.3. These funding rules must be read together with the latest AGE 16 to 24 Employer Fact Sheet which details the terms and conditions of the Grant; your AGE 16 to 24 Provider Funding Agreement; and the technical guidance note which you can access on GOV.UK.4. The employer must not have started an apprentice (of

	<p>any age or at any level) in the previous 12 months prior to the start date of the first apprentice claiming the AGE.</p> <p>5. You can only offer AGE if you have a signed AGE 16 to 24 Provider Funding Agreement. You must not offer AGE to an employer if this would result in your commitments to employers exceeding your agreed contract value.</p> <p>6. AGE is not available for apprenticeship standards. You can find guidance on incentives for employers for apprenticeship standards on GOV.UK.</p> <p>7. AGE is available for eligible apprentices who started their apprenticeship on or before 31 July 2017, subject to affordability.</p> <p>Employer eligibility</p> <p>8. You must check that an employer is eligible before applying for the grant. You must provide the employer with a copy of the latest AGE 16 to 24 employer fact sheet and ensure they understand the criteria.</p> <p>9. You must correctly complete the requirements in the AGE 16 to 24 Employer Declaration and ensure the employer understands the timetable to process an eligible claim and for the payment to be received. You can find more information on GOV.UK.</p> <p>10. Check your own ILR records to confirm that they have not accessed apprenticeship funding with you in the last 12 months.</p> <p>11. Check that the Employer Data Service (EDS) number used in the Individualised Learner Record (ILR) relates to the correct legal entity employing the apprentice and that the record confirms that their recorded total aggregate workforce, is fewer than 50.</p> <p>11.1. Ensure that the employer is aware that if they, or any other branches or divisions in their business, have accessed apprenticeship programme funding for any employers undertaking training with them in the last 12 months, they will not be eligible for the AGE Grant.</p> <p>11.2. Ensure that the employer is aware that payment timing is dependent on a timely and correctly completed record by you, and that this will take at least eight weeks after the 13-week eligibility</p>
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	<p>trigger for this to be processed by the SFA and paid by you.</p> <p>12. Public sector organisations who meet the eligibility criteria can apply for the Grant. For the purposes of the Grant, the number of employees for schools and doctors' surgeries is based on the site, not the local authority.</p> <p>13. In specific circumstances certain franchises that employ fewer than 50 employees (as recorded on EDS) are eligible to claim the grant. You can access further guidance on defining Small to Medium size Employers(SME) in the technical guidance note on GOV.UK.</p> <p>Qualifying apprentices</p> <p>14. To be eligible, learners must:</p> <ul style="list-style-type: none"> 14.1. be aged between 16 to 24 years old at the start of their apprenticeship 14.2. be living in England 14.3. not be taking part in full-time education (at the same time as the apprenticeship programme) 14.4. start on a SFA-approved apprenticeship framework before their 25th birthday 14.5. not be an existing employee but a new recruit with the employer 14.6. still be employed with the employer making the claim at the date of the 13-week qualifying period from the 'in learning' start date as recorded on the ILR record <p>15. An eligible employer can claim for an existing part-time employee (contracted to work fewer than 20 hours a week) with a new full-time apprenticeship job role which must be a minimum of 30 hours a week.</p> <p>16. Where the apprentice is subject to a break in learning the employer may still be eligible for an AGE grant where the apprentice has been correctly coded on the ILR. Please refer to technical guidance note hosted on GOV.UK on how to process apprentices who have a break in learning.</p> <p>17. Where an eligible employer is recruiting a 16- to 24-year-old who started their apprenticeship with another</p>
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employer, they may be potentially eligible for the Grant. The employer must commit to employ the apprentice for a minimum of 12 months or the duration of the apprenticeship, whichever is the greater. The learner's ILR must be updated to record the new employer's Employer Reference Number (ERN) and we include further guidance in the technical guidance note on [GOV.UK](https://www.gov.uk).

18. You must:

- 18.1. help employers check their eligibility and to understand their commitment when applying for the Grant; Advising employers of eligibility and the reasons why
- 18.2. clarify the process of applying for the grant, including timescales for when employers will receive payment
- 18.3. check against the data available to ensure the claim is accurate and successfully processed
- 18.4. submit applications on behalf of eligible employers through the Individualised Learner Record (ILR); ensuring that the ILR is correctly coded, including the correct Employer Reference Number (ERN) for the employer and the current Learning Delivery Monitoring (LDM) Code for AGE
- 18.5. Record the AGE LDM on the ILR at the earliest opportunity; you should submit an ILR record for the apprentice with the correct AGE LDM codes as part of this next available data return and before the 13-week qualifying period
- 18.6. obtain and retain eligibility evidence
- 18.7. investigate and resolve employer complaints and issuing relating to AGE claims
- 18.8. co-operate and supply information to the Skills Funding Agency where a complaint has not been resolved to the satisfaction of the complainant and has been escalated to the SFA in accordance with your AGE 16 to 24 Provider Funding Agreement
- 18.9. make payments to eligible employers no later than 30 days after receipt of funding from the Skills Funding Agency

Devolution

19. Employers who recruit apprentices in areas where the AGE 16 to 24 budget has been devolved are not eligible for an AGE grant funded by the SFA. Your Provider Funding Agreement includes further information on when a devolution agreement is agreed and the impact this will have on your contract value.
20. You must signpost employers to the devolved area where the AGE budget is managed locally through devolution. You can access an up-to-date list of areas where AGE is managed locally and how to contact them on [GOV.UK](https://www.gov.uk).
21. You must include the correct Learning Delivery Monitoring (LDM) Code on the Individualised Learner Record (ILR) to identify that the employer is claiming a grant. You should also use the same code for apprentices where their employer's postcode falls within a devolved area's footprint. You can find further guidance on valid LDM codes and recording AGE learners in the technical guidance note published on [GOV.UK](https://www.gov.uk).

Application process and evidence requirements

22. You must verify apprentice and employer eligibility for the AGE grant at the start of the discussion with employers' AGE 16 to 24 and retain any evidence you collect to demonstrate this.
23. You and the employer must complete and sign the AGE 16 to 24 Employer Declaration (you can access this on [GOV.UK](https://www.gov.uk).) as soon as possible but always before the 13-week period is reached. You must provide a copy of the signed declaration with the employer once completed and signed by both parties.
24. You must refer to the technical guidance note for details on how to process your AGE claim and comply with the [Operational Performance Management Rules](#) when delivering AGE.

Recovery of funds

25. If you identify the employer or apprentice as ineligible before the 13-week qualifying period you must update the ILR record and contact the employer to make them

	<p>aware of the change.</p> <p>26. Where your ILR submission makes an employer ineligible, we will recover the funds. You must update the ILR record at the earliest opportunity.</p> <p>Apprenticeship training agency (ATAs) requirements</p> <p>27. ATAs that have successfully completed the ATA recognition process and are on the National Register of Approved ATAs are able to offer the Grant to eligible 'host employers' committing to support the apprentice for a minimum of 12 months or the time they take to completed their apprenticeship programme, whichever is the greater.</p> <p>28. Recognised ATAs will work with the training organisation network to claim the Grant on behalf of the 'host employer' (as ATAs will not be administrating Grants on behalf of the employer). The entire £1,500 should be passed to the 'host employer' by the training organisation.</p> <p>29. ATAs and the training organisation must not hold back or top-slice any element of the £1,500, directly or indirectly. Grant payments cannot be split between host employers.</p> <p>30. You must use the version of the Employer Declaration which is specifically for eligible host employers who are applying through an ATA.</p>
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