

Apprenticeship Update

Youth Contract

1. As reported at the last Rural Forum, the Government is preparing to roll out the 'Youth Contract', introducing a range of measures that targeted at supporting young people. A key element of this is the introduction of employer incentives. Further details have now been released and the Governments support for apprenticeships became available as of the 1st February.

Wage incentives

From 2 April 2012 wage incentives worth up to £2,275 each, may be available for employers who recruit an 18-24 year-old from the Work Programme i.e. young people unemployed for a minimum of between 3 and 9 months, depending upon circumstances.

Exact details of the wage incentives are in the final stages of being agreed but will be available for employment lasting for at least 26 weeks. There will also be a reduced grant of £1,137.50 for part-time work of between 16 and 29 hours.

Support for apprentices

Details of the support available for apprentices, available from the 1st February 2012, until March 2013 can be found at Appendix 1. Importantly this offers support of £1,500 per apprentice to small companies employing from the wider age range of 16-24.

The roll out of the apprenticeship support and wage incentives coincides with other incentives being offered to employers through a wider range of sources and at the time of writing a mapping exercise is underway. This is necessary to avoid instances of 'double funding' apprenticeships and to understand what incentives will be most relevant to different types of employers. It is hoped that this work will be concluded prior to the meeting of the Rural Forum and quick guide can be tabled.

This availability of support for employers needs to be promoted as widely as possible to the business community and any support that can be offered through the rural forum would be appreciated, for instance through the National farmers Union, Parish Council news letters and through personal contacts.

At present we would suggest that local employers are directed to the Economy and Community Services Team, who will assist individual companies access the most appropriate advice about recruiting apprentices and the potential for financial support. Any Companies interested in assistance for apprenticeships or organisations looking for material to help promote this should contact:

Debbie Townrow on 01795 417194 (debbietownrow@swale.gov.uk) or
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Appendix 1. Employer Incentive (AGE 16 to 24)

Apprenticeship Grant for Employers of 16 to 24 year olds (AGE 16 to 24)

The AGE 16 to 24 year olds is aimed at helping eligible employers to offer young people employment through the Apprenticeship programme, by providing wage grants to assist employers in recruiting their first apprentice.

The National Apprenticeship Service will provide up to 40,000 Apprenticeship grants to small/medium sized employers recruiting 16 to 24 year olds with a value of £1,500 to encourage new employers to take on new apprentices.

The £1,500 is in addition to the training costs of the Apprenticeship framework which are met in full for young people aged 16 to 18 and 50% for those aged 19 to 24.

When will this new Apprenticeship grant be available?

The AGE 16 to 24 grant is available from 1 February 2012 until March 2013 for eligible employers who recruit an Apprentice aged 16-24 for the first time.

What financial support is available to employers?

A new Apprenticeship grant of £1,500 is payable in two instalments, for up to 40,000 eligible employers who commit to employ one or more 16 to 24 year old apprentices for the first time.

The payment is a grant and is exempt from VAT.

Which employers are eligible to receive this new AGE 16 to 24 payment?

Priority will be given to small-medium sized employers with less than 250 employees and we expect to support at least 40,000 of these employers to recruit an apprentice for the first time.

Large employers (more than 250 employees) are not eligible for support through this initiative. But we do want to encourage take up within their small-medium enterprises (SME) supply chain.

It is expected that most employers will want to access AGE 16 to 24 to support the recruitment of one apprentice. However subject to budget availability and the employer's commitment to support the apprentice to the end of their programme, up to 3 grants can be made to any one employer. However, the employer must commit to the total number of apprentices they wish to take on through the grant at the upfront agreement stage.

What is an employer's commitment?

Employers will sign an agreement which will include:

- Confirmation of the number of apprentices they will be taking on as a result of this incentive (to a maximum of 3)
- Confirmation that they wouldn't have taken the apprentice on without this additional incentive.
- A commitment to employ the apprentice for at least the time it takes to achieve the Apprenticeship framework. If they fail to do this, some or all the wage allowance will be clawed back.
- Confirmation that they are aware of and do not breach any state aid rules.
- Agreement to pay the minimum Apprenticeship wage of £2.60 per hour – although this is a minimum and most employers pay more.
- Confirmation that they have not taken on an apprentice in the previous three years*

**Not eligible if the employer employs an apprentice with an Individual Learning Record (ILR) start date of April 2009 or after.*