

# Apprenticeship grants

**This briefing outlines the funding available for small employers from the National Apprenticeship Service and the extra incentives available in Greater Manchester**

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**Apprenticeships are work-based training programmes designed around the needs of employers, which lead to nationally-recognised qualifications. Employers can use apprenticeships to train both new and existing employees, who can 'earn as they learn' and gain practical skills from the workplace.**

## National Apprenticeship Service

A new grant scheme to encourage small and medium sized employers to take on apprentices was launched by the National Apprenticeship Service in April 2012.

The National Apprenticeship Service (NAS) will provide up to 40,000 Apprenticeship grants of £1,500 per head to small-medium sized employers recruiting 16 to 24-year-old apprentices. The NAS grants, which are available until March 2013, are payable in instalments – £750 at eight weeks and £750 at 12 months. The conditions are that:

- Employers must have fewer than 250 staff;
- The employer must not have started an Apprenticeship in the last three years;
- Apprentices must be aged 16 to 24 and not in employment, education or training (NEET).

In addition, the employer must pay the minimum Apprenticeship wage of £2.60 per hour, and jobs must be 'full-time' – ie a minimum of 30 hours a week for 12 months (so the weekly salary would come to around £90/£100, plus National Insurance).

'Small' employers can ask for the money up front (this would include most voluntary organisations). This funding goes from NAS to the *training provider* (such as a college), who pays the employer.

These grants are in addition to the training costs of the Apprenticeships which are met in full for young people aged 16 to 18 and 50 per cent for those aged 19 to 24.

There are three levels of Apprenticeship available:

- **Intermediate Level Apprenticeships:** Apprentices work towards work-based learning qualifications such as a Level 2 competence qualification, functional skills and, in most cases, a relevant knowledge-based qualification;
- **Advanced Level Apprenticeships:** Apprentices work towards work-based learning such as a Level 3 competence qualification, functional skills and, in most cases, a relevant knowledge-based qualification;
- **Higher Apprenticeships:** Apprentices work towards work-based learning qualifications such as a Level 4 competence qualification, functional skills and, in some cases, a knowledge-based qualification such as a foundation degree. Most learning will be on-the-job but this will depend on the training provider, and day release is possible if the employer prefers. Each apprentice has a personal assessor and they do an NVQ-style portfolio of evidence.

The training provider – who must hold a current contract from the Skills Funding Agency to deliver Apprenticeships – is chosen by the employer. NAS can recommend the most appropriate providers if the employer tells them the kind of role and training they require.

To set up Apprenticeships, an employer must register on the NAS website at: [www.apprenticeships.org.uk/Employers.aspx](http://www.apprenticeships.org.uk/Employers.aspx). NAS then brokers in a training provider and the employer writes a job description. The employer is offered a small number of young people to select from, although there is no obligation to take any. It is also possible for employers to recruit their own apprentices as long as they meet the criteria. In this case the apprentice must inform their Jobcentre Plus or Connexions adviser.

Employers interested in starting Apprenticeships can also approach a training provider.

## **Greater Manchester enhancements**

### **Context**

Youth unemployment in Greater Manchester continues to increase. On an annual basis, there are 4,600 more people in Greater Manchester aged 16-24 claiming JSA benefits than there were in January 2011. Businesses are struggling to match their skills needs and recruit the most appropriate young people.

The Local Enterprise Partnership is leading a call to employers across Greater Manchester – to encourage them to take up financial incentives and offers of support, that are available on a first-come first-served basis, and asking them to show their commitment to young people by pledging to do one or more of the following:

- Recruit a young person
- Take on an apprentice
- Offer a work experience placement.
- Volunteer as a mentor for a young person

### **Enhancements**

Employers across Greater Manchester will be offered incentives to recruit apprentices that are over and above the national offer from NAS. Greater Manchester ‘top-ups’ will be made available to a limited number of employers who have signed up to the *Greater Manchester Commitment*, which aims to tackle youth unemployment across the sub-region.

- An additional payment to the employer at the 8-week point of £750 for Level 2/3 Apprenticeships and £1,000 for Level 4, on condition that the apprentice was previously unemployed and entered the scheme via Jobcentre Plus or Connexions.
- For the trial period of two to eight weeks, the employer doesn't pay salary. The

apprentice receives a grant of £40 per week plus a £10 expenses voucher. Jobcentre Plus will also pay for any necessary clothing or equipment.

The additional payments are available as follows:

Local Authority	Number of 'top-ups'	Local Authority	Number of 'top-ups'
<b>Bolton</b>	154	<b>Salford</b>	63
<b>Bury</b>	69	<b>Stockport</b>	195
<b>Manchester</b>	100	<b>Tameside</b>	270
<b>Oldham</b>	120	<b>Trafford</b>	63
<b>Rochdale</b>	150	<b>Wigan</b>	91

The scheme is co-ordinated by New Economy on behalf of the Association of Greater Manchester Authorities (AGMA) and will support employers and young unemployed people across Greater Manchester. Further information about the *Greater Manchester Commitment* and the enhancements available to employers in Greater Manchester is available in a short guide from New Economy – [http://neweconomymanchester.com/stories/1667-recruit\\_a\\_young\\_person](http://neweconomymanchester.com/stories/1667-recruit_a_young_person).

As of May 2012, the only provider delivering the 'Skills – Third Sector' Apprenticeships in Greater Manchester seems to be Rathbone – they are covering *volunteer management* and *fundraising* (but not campaigning). Anyone interested in these should contact Candice Langley at Rathbone and she will arrange for someone to visit and explain – [candice.langley@rathboneuk.org](mailto:candice.langley@rathboneuk.org), 07824 692564.

The voluntary sector isn't limited to these kinds of Apprenticeships and others – such as administration, management, health & social care, and advice – are equally valid.

Employers across Greater Manchester can register their interest in the Commitment by e-mailing [apprenticeships@neweconomymanchester.com](mailto:apprenticeships@neweconomymanchester.com). Young people can find out more about Apprenticeships by logging on to: [www.apprenticeships.org.uk](http://www.apprenticeships.org.uk).

## Related information

**Youth Contract**: An application has been made by Greater Manchester with Cheshire and Warrington to provide apprenticeships for 16/17 year-olds. These will probably go through the local 14/19 Partnerships.

The conditions are more specific:

- No GCSEs at A-C level (this is only 8 per cent of young people) and NEET (only about 1,000 individuals across Greater Manchester meet the criteria).

Payments will be made as follows: about 5-10 per cent attachment, 30-40 per cent activity, 60 per cent after 6 months sustained.

Funding is for engagement and mentoring, not for learning.

**City Deal**: In principle there is support for around 6,000 more apprenticeships.