

DRAFT/PROPOSED APPRENTICESHIP GRANT CRITERIA 2018 V2 (9.11.17)

The devolved Apprenticeship Grant for Employers (AGE) has come to an end. The West Yorkshire Combined Authority is seeking funding for a new localised grant programme which would support businesses not previously offering apprenticeships. In anticipation of securing funding we are seeking endorsement from the Employment and Skills Panel for proposed grant criteria, based on the following rationale.

Rationale

- From a business stock of over 119,000 on average only between 9% and 15% (10,710 and 17,850 respectively) of businesses across the City Region offer apprenticeships. Therefore approximately 101,000 plus businesses have never offered apprenticeships before and we would like to engage them. However, depending on funding stream availability the offer may be restricted as previously to the Combined Authority geography, or West Yorkshire and York, rather than the whole Leeds City Region.
- The grant would support businesses taking on a 19-24 year old apprentice employee and into a new post. This criterion would complement the national funding model which provides a grant for £1,000 for businesses taking on a 16-18 year old.
- The apprenticeship wage for the first year of an apprenticeship for anyone aged 19+ is £3.50 (below national minimum wage). National Living Wage only applies to anyone aged 25 or above. We would look to provide an enhancement for businesses paying the national minimum wage to the apprentices. This enhancement would support our Inclusive Growth priorities.
- Priority would be given to the LEP core sectors - Digital, Engineering and Manufacturing, and Infrastructure and Construction, with the addition of Healthcare (to be defined). However, we need to encourage apprenticeships offered in specialist skills within the core sectors eg not an admin post in a construction company. We would therefore look to award an enhancement against specific qualifications within priority sectors.
- LMI shows a gap in higher/degree level skills.
- In the original LEP AGE programme 95% receiving the grant were from businesses with 50 or less employees.

Core Criteria
<ul style="list-style-type: none">• Businesses with 50 or fewer employees who have not taken/offered an apprentice before;• The apprenticeship being offered is a new post to the company;• The apprenticeship being offered is for a 19-24 year old; (cannot be used where a current employee is undertaking apprenticeship training framework/standard)
<i>Dependent on additional funding secured would determine grant value, lifespan of the grant and number of grants available per business.</i>

Additional incentives via a premium <u>per</u> criteria/priority:
Enhanced pay rates - where the SME agrees to pay as a minimum the national minimum wage [currently £5.20 18 to 20; £7.05 21 and over]
Higher/Degree Apprenticeship – any sector/standard
Apprentice taken in LEP priority sectors/Qualifications <ul style="list-style-type: none"> • Construction, Planning and the Built Environment • Engineering and Manufacturing Technologies • Information and Communication Technology/Digital • Healthcare • Science and mathematics

Questions:

Are the proposed core criteria appropriate? If not, why?

Do the proposed new grant criteria respond to/reflect LEP Employment and Skills Priorities?

What would a minimum value need to be for the core grant to incentivise SMEs to offer apprenticeships?

Any additional comments/feedback/suggestions?